

*Paper Laid**Friday, July 07, 2006***HOUSE OF REPRESENTATIVES***Friday, July 07, 2006*

The House met at 1.30 p.m.

PRAYERS[MR. SPEAKER *in the Chair*]**PAPER LAID**

Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statement of the Intellectual Property Office for the year ended December 31, 2004. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]

To be referred to the Public Accounts (Enterprises) Committee.

**DEFINITE URGENT MATTER
(LEAVE)**

**Compensation for Injuries Act
(Government's Failure to Implement)**

Mr. Subhas Panday (*Princes Town*): Thank you very much, Mr. Speaker. I apologize. Mr. Speaker, this morning I submitted the Motion I have not—

Mr. Speaker: I have mine, do you have yours?

Mr. S. Panday: No, Mr. Speaker. [*Mr. Speaker passes document to Mr. S. Panday*]. Thank you very much. In accordance with Standing Order 12 of the House of Representatives, I hereby seek your leave to move the adjournment of the House for the purpose of discussing the following matter of urgent public importance, namely, the failure of Government to fully implement the Compensation for Injuries Act.

The matter is definite since it relates to a specific case of the young helpless daughters of Nick “Gowrie” Augustine—a witness to the murder of Greg Poon—who was kidnapped by a Morvant gang whilst on his way to a shop to purchase food for his children on June 27, 2006, and whose partly decomposed body was found yesterday, July 06, 2006 in a shallow grave in Morvant.

The matter is urgent because his five young helpless daughters have suddenly lost the financial support of their father and are in urgent need of assistance.

This matter is of public importance because the failure of Government to appoint the compensation for injuries board is adversely affecting a significant number of members of the public who have become destitute and need assistance.

Definite Urgent Matter

Friday, July 07, 2006

Thank you very much, Mr. Speaker.

Mr. Speaker: Hon. Members, this matter is worthy of discussion but not under this Standing Order.

ARRANGEMENT OF BUSINESS

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Mr. Speaker, there is an amendment to the Municipal Corporations (Amdt.) Bill from the Senate. The amendment is Motion No. 3 and we seek the leave of the House to do that Motion first.

Agreed to.

MUNICIPAL CORPORATIONS (AMDT.) BILL

Senate Amendment

The Minister of Local Government (Sen. the Hon. Rennie Dumas): Mr. Speaker, I beg to move the following Motion in my name:

Be it Resolved that the Senate amendment to the Municipal Corporations (Amdt.) Bill, 2006 listed in the appendix to the Supplemental Order Paper, be now considered.

Question proposed.

Mr. Ramsaran: Mr. Speaker, I would like to say a few words on this. It was this morning I turned on the television and I saw in the other place where this—

Mr. Speaker: Do you want to contribute on the amendment? Okay, one second.

Question put and agreed to.

Clause 2.

Senate amendment read as follows:

In the proposed subsection (1D) delete the word “new” in paragraph (b)(i).

Mr. Dumas: Mr. Speaker, I beg to move that the House of Representatives doth agree with the Senate in the said amendment.

Question proposed.

Mr. Speaker: I must indicate to you that your contribution must in fact be related to the amendment before us.

Mr. Ramsaran: Mr. Speaker, I hope that this is not something new that is being put upon us. [*Crosstalk*]

Mr. Speaker: Order!

Mr. Ramsaran: Seeing that this has been the talking point, I met with some of the county councillors and the practitioners in the field after the debate, and when the Senate yesterday voted 16 to 14, I think the Government should have really stood up—

Hon. Members: Noooo!

Mr. Speaker: Please, please, take your seat, take your seat. I am indeed sorry that you did not meet with your councillors before the House debated, but really and truly you have to confine your contribution to the word "new".

Mr. Ramsaran: Mr. Speaker, I have been here for the last ten years and speakers have been given time to make their point; the preamble to the point, I do not know if things have changed.

Mr. Speaker: I also have been here for the last ten years. If you can confine your contribution to "new" I would certainly like to hear you.

Dr. Khan: Mr. Speaker, on a point of clarification. Could I—*[Interruption]*—on a point of clarification—Standing Order 11.

Mr. Speaker: No, please, take your seat.

Mr. Ramsaran: I give way to the Member.

Mr. Speaker: You cannot give way to him.

Dr. Khan: I cannot get a point of clarification?

Mr. Speaker: You can raise a point of order.

Dr. Khan: I want to get a point of clarification. *[Crosstalk]*

Mr. Speaker: Order please! Order! Hon. Member, I am on my feet, please take your seat.

Dr. Khan: Yes, but chief I need a point of clarification.

Mr. Speaker: You need to take your seat! If you want to raise a point of order I would entertain it. No point of clarification at this point. Member for Chaguanas.

Mr. Ramsaran: Mr. Speaker, you know, as I said before, I have been in this House and I want to make a point about coming to this Parliament. This dropped upon us and we must just get up as obedient boys and girls and say we support the

Municipal Corporations (Amdt.) Bill
[MR. RAMSARAN]

Friday, July 07, 2006

Government in their amendment. Whether there is one word in an amendment to a Bill or an Act, or 100 words or 100 sections, I believe it is the right of the Opposition to make their intervention. To me, this is a very important piece of legislation—

Mr. Speaker: No, I do not think the House needs a lecture on this. All I am saying is that I regret the fact that you did not meet with your counsellors before, but really and truly you need to confine yourself to the word "new". If you cannot do so perhaps I can hear somebody else.

Mr. Ramsaran: Mr. Speaker, I did not use the word "councillors", I started with a different trend. I am talking about what is taking place in this Parliament. I am talking about legislation coming to this Parliament. The point I am making, if you look at this:

"In the proposed subsection (1D) delete the word "new" in paragraph (b)(i)."

Mr. Speaker, this would put a whole new light on what has been passed in this House a couple days ago. [*Desk thumping*] [*Crosstalk*] If the Minister had come in and said why this was done maybe we would understand. We would like to talk about this very important piece of legislation; and here we come to Parliament making an amendment. This is what the Parliament is about: making laws, amending laws and carrying the country forward.

I want to say that I am very disappointed and people believe that they would be disenfranchised by this Act. And I want to repeat my call I made last Wednesday; let us go back to the drawing board with this; maybe change the entire section because people are now, as I said one person would like to go to court to deal with this matter because of expectations. When the Prime Minister announced a month ago that he was coming to Parliament to deal with the changes in the law, he did not indicate at that time what has happened in the legislation before us. He explained the life of the council for one year.

Hon. Members: He is going over that. [*Interruption*]

Mr. Ramsaran: When you come here with the word "new" you have changed the entire Prime Minister's address to this Parliament.

Dr. Khan: You have done that.

Mr. Ramsaran: You have done that, and the Mayors, the Aldermen and the Chairmen were of the expectation that their life, as members of the council, would continue for a year. This did not happen; it again showed that in the Senate, the other place, the debate was exciting and interesting and we in this Parliament

must show and follow suit. When we are coming to amend our laws and put the word "new"—The word "new" is a very strong word, you know. "New" means change, "new" means anything; something that we could deal with, and I would like to again, ask this Government if they really care about the democratic system in this country they must come to this Parliament and stand and say you are going to remove the entire section that offends many people in this country. I am of that view.

Thank you very much.

Mr. S. Panday: Thank you very much, Mr. Speaker. In order to understand what the amendment is, one really needs to look at the Bill which was before this House on Wednesday and to bring the matter in perspective—

Hon. Member: It new, not old.

Mr. S. Panday: Okay, okay. It says:

"2. (1D)(b) subject to sections 15(2) and 12(6) the term of office of each Mayor, Deputy Mayor and Alderman shall expire at the end of the existing term..."

Section (1D)(b)(i) which is the relevant subsection:

"the Councillors shall elect new Aldermen for a term of twelve months, in accordance with section 13;"

When we look at the amendment it will now read as:

"The Councillors shall elect Aldermen for a term of twelve months..."

The question is what is the necessity for such an amendment? If you are going to elect the same Aldermen it does not matter. If you are going to elect new aldermen what is the position? They are saying in this amendment that the councillors shall elect aldermen for a term of 12 months? What are they saying? The same old aldermen? Whether it is old or new it does not matter. Therefore they become "new" on the election, because what is happening is this Government is a fraud. [*Desk thumping*] They are trying to hoodwink the population in that they are trying to simulate a situation where they are going to behave as though there has been an election. They are trying to attempt to get the benefits of an election without going to the polls, without facing the electorate. Then they will come and say they are well greased. As we said on the last occasion, they could be greased or well greased as they want.

Municipal Corporations (Amdt.) Bill
[MR. S. PANDAY]

Friday, July 07, 2006

When one looks at the headlines today on the newspapers, they are the cause of all the murders in Trinidad and Tobago; of most of the murders. [*Desk thumping*] And they are attempting by this amendment—

Hon. Member: To stay in power.

Mr. Speaker: You know you were going so good and then you went astray. Come back, come back, come back!

Mr. Rahael: Subhas, Subhas could you give way? As Minister—

Mr. S. Panday: They are trying to elect aldermen, whether new or old, and they are behaving as though an election has taken place. You send back \$55 million from the budget and San Fernando Hospital does not have drugs.

Mr. Rahael: Calm down, I am worried about your health. [*Crosstalk*] [*Laughter*]

Mr. S. Panday: You have buildings in San Fernando that are dilapidated and you sit in Port of Spain and you send back the money. You are incompetent!

Mr. Speaker: Please, please! If that is the extent of your contribution—

Mr. S. Panday: No, no, no, Mr. Speaker. Okay, I ask for the protection from the Member for Port of Spain North. Thank you, Mr. Speaker.

So I am saying, what this Government is attempting to do is to create a situation where they are behaving as though an election is taking place. And what I am saying is this PNM Government is undermining the electoral process. The election is due on the 13th; the council's life expires on the 13th. What they intend to do is to say that the lives of the councillors not the council, will be extended, but not the whole council. They are now saying, look, the councillors whose lives have been extended—not councillors who have faced the polls, not councillors who went through the electoral process and the democratic process—they now have the power as though they have gone to the polls, faced the election and now according to section 13, they could now appoint aldermen, whether old or new.

Mr. Speaker, if the Prime Minister, as he said on the last occasion, when he came to this honourable House on May 26, 2006—he did not speak about having to elect aldermen—we intend to extend the life of the council, and what 10(2) says:

"The Council shall consist of the Chairmen, Aldermen and Councillors."

As I told them on the last occasion; so we are saying this should not be, because this Government is misleading the House. Because when the hon. Prime Minister came to this House, he said we were going to extend the life of the council, but when they came here we found a different story. It is only a part of the council's life they have extended.

The reason why they want to elect—I say “new” aldermen or aldermen—is because they want to “hoff” one of the corporations which is controlled by the UNC. There is a corporation in Mayaro/Rio Claro in which there are equal numbers of councillors.

Mr. Speaker: Again, I have heard that argument on the last occasion we met.

Mr. S. Panday: No, Mr. Speaker, just give me one second and I would develop the point.

Mr. Speaker: Well come to it quickly, please.

Mr. S. Panday: You are afraid to hear the truth. [*Desk thumping*] But Mr. Speaker, what is happening here is that they want to get a chance to control the regional corporations without having an election, so at that time they would get the opportunity to appoint aldermen.

Mr. Speaker: No, no, no, please hon. Member, again, I must appeal to you to confine yourself to the amendment before us. What you are saying there I have heard on the last occasion. If you said you are going to come to the point, come to it quickly, please.

Mr. S. Panday: Mr. Speaker, I am certain that you are more intelligent than most of them and the point I am developing is that if we permit this to go as it is going, they would be given an opportunity to choose aldermen in Mayaro/Rio Claro, and that would be new aldermen, and by so doing, if they are being given that opportunity at the lottery or the chance system, they may get the opportunity to choose when we, the UNC, in that council already have our aldermen in place. That is the point I was making and they would not understand.

Mr. Valley: The aldermen are old.

Mr. S. Panday: Pardon?

Mr. Valley: They are old.

Mr. S. Panday: He is trying to disturb me. That is why we are saying they are dishonest. That is why we are saying they are a fraud and then they are boasting. The Member for Arouca North boasts how they control 14 of the regional corporations.

Mr. Narine: Mr. Speaker, on a point of order.

Hon. Members: What is the point of order? What is the point of order?

Mr. Speaker: Okay, please.

Mr. Narine: I never said we are controlling 14, I said nine and five.

Mr. S. Panday: Mr. Speaker, I want to humbly apologize to him. So the point I am making is that they would go and boast, if this amendment goes through, that now we have ten and they have four. They are trying to get the number of councils on their side and they must not use an amendment like this to get additional councils. If you want additional councils, go to the polls; go to the electorate.

Mr. Rahael: We would decide that.

Mr. S. Panday: You would decide that. But all they speak about, they are afraid to go to the polls.

Mr. Rahael: We want to know which UNC we fighting.

Mr. S. Panday: You will know because the people outside there waiting on you all. They want to let you know that you all have been the cause of all the violent crimes in this country. Most of the murders that are being committed are PNM-sponsored murders. [*Desk thumping*]

Mr. Speaker: You know I have been giving you a lot of latitude but you are straying from the point.

Mr. S. Panday: Okay, Mr. Speaker. Thank you, Mr. Speaker.

Mr. Speaker: I must warn you that if you cannot confine yourself to the amendment I would have to ask you to take your seat.

Mr. S. Panday: Mr. Speaker, I abide by your ruling. I merely wish to say that this amendment that we have here, the word "new" does not mean anything. If we delete the word "new" it does not mean anything. If we put "old" then it means something, but if you just merely delete the word "new" and leave it open like that, this is the point I am making.

Mr. Rahael: Point made, sit down now.

Mr. S. Panday: You are a fraud.

Mr. Speaker: Order, please! Order!

Mr. S. Panday: This is a fraud being perpetrated upon the public. This is a fraud being perpetrated upon the electorate, this is what we are telling you. What

we are doing here today with this amendment, they would pass the Bill with a simple majority. But what we want to do is to tell the population that this amendment here is really to control additional regional corporations without having to go to the polls.

So we are making the population aware of what the PNM is doing; their high-handedness; their dictatorial tendencies. That is why we are alerting the population of what this Government is doing.

We ask them, instead of this amendment the word "new", why they did not amend the whole section (b) instead of only this word "new". Why they did not delete (b) instead of deleting "new"? Why you did not delete (b) and say look, the life of the council shall be extended and include everyone? Why? Why? This, I am certain, would generate a lot of public discussion and comment in the near future.

What the Member said is that if you take out the word "new" those councillors would be able to appoint aldermen. What he is trying to say now is, he is trying to shift the position slightly by saying, look, we are not saying "new", those who are there could also come back.

Mrs. James: What is the problem?

Mr. S. Panday: I will tell you the problem now. If you only read and understand what is happening, the moment the life of the council comes to an end and the councillors have to elect aldermen, because of the scenario, those are "new" aldermen. At an election when you go to the polls and you win, you come back here as a "new" member of Parliament. So this is what we are thinking about, what we are considering. Now they are saying maybe we could keep those and bring new ones. We do not know if the PNM has its—

Dr. Khan: Ulterior motives.

Mr. S. Panday: Of course, they have ulterior motives—if in their mind the intention to move some and leave some; we do not know what they are doing. But we are saying if they want to move some of their aldermen they can do that. If they want to remove their chairmen they could do that because section 16 of the Municipal Corporations Act 21 of 1990 says that you could use the Act to remove people you want to remove.

But you see the PNM wants to give the impression that they are united and they want to give the false impression that everything is hunky-dory and because of this an amendment, a juncture or an occasion has presented itself to kick men out in style.

Mr. Rahael: Only the UNC would do that. Your own political leader you want to kick out.

Mr. S. Panday: I will deal with him.

Hon. Member: Put him out.

Mr. S. Panday: No, no, no, it is okay. So, Mr. Speaker.

Hon. Members: Put him out. Put him out. You are disturbing me when I am listening.

Mr. S. Panday: They have not dealt with the part that councillors and aldermen shall elect the mayor, but the point I am saying they are going to put other or maybe the same aldermen to run the council.

When one looks at how a council operates, when an alderman is elected he has the same powers, functions and duties of councillors, that is the only point. That is why we are saying that when you extend the life, extend the life of the whole council. What they are doing is, with this amendment which would be coming before the House, we are going to put new men who would have the same powers as the councillors and I humbly submit that in those circumstances we cannot, as we have not supported the Bill, we do not intend to support this amendment, because it is superfluous, it is irrelevant and it adds nothing to the debate.

Thank you, Mr. Speaker.

Mr. Sharma: Thank you very much, Mr. Speaker. We are here today because this matter was debated in this Parliament on Wednesday and went to the other place yesterday at which place an amendment was moved. Now it is very interesting to quickly review what took place. On Wednesday, we on this side made the point that what the Government was doing was not proper in the first instance, and secondly, it was illegal. We went further and I indicated that in March 2003, the then Minister, Member for Arouca North in the other place indicated and if I could read what he said then:

"Mr. Vice-President, in clause 2(b) of this Bill we are asking for the period between the date of election of the councillors and the time of swearing in to be amended from the present three-day limit to within 10 days from the date of the election,..."

and this is to allow for all to remain.

The point is that the then Minister argued very strongly and rightfully so that the Chairmen, Aldermen and Mayors shall remain in office. Yesterday when this was debated in the other place, my understanding of the daily newspapers of today's date is that an Independent Senator voted with the Government—which is his right, by the way, so I am not questioning that right—and the vote taken ended up 16/14 who voted with the Government. There is always a story about how independent are Independent Members when NAR—

Mr. Speaker: Please, you cannot really do that. Do not question Members in the other place that way.

2.00 p.m.

Mr. Sharma: Mr. Speaker, I am fully aware of that and I am not questioning it the least bit. I am simply saying when—whichever government is in government; whether NAR government, PNM government or UNC government there is always this story that some who appear independent are not always independent. The question has been asked as of yesterday, whether the conduct of a particular—because while we are here, you notice that the circulation is very skinny in that it has been purposely left out. It says: “In the proposed subsection (1D) delete the word ‘new’ in paragraph (b)(i).” But it was not printed here. So it was further done to create the situation to arrive at exactly what—

We were at great pains to see the Member for Chaguanas, my colleague, attempting, because I understand that he met with his constituents yesterday who had tremendous concerns about this and we saw the Member for Princes Town. So here it is Members of the Opposition, sworn to perform their duty—

Mr. Valley: How the Member for Diego Martin East could have meeting and the Member for Chaguanas cannot have meeting?

Mr. Sharma: Ask Shastri. The point is and I see the Member for Tobago East flashing something and saying that resembles somebody—that papers—can you show us? Who it resembles? [*Interruption*]

The point is, you cannot look at this in a vacuum. You have to look at this in its total because when the Minister comes and plays this smart game—the Parliament, as I said, must not be used for dirty work. The Minister comes here and attempts a smart move in that he does not indicate that this is part of a Bill.

Hon. Member: A dishonest move.

Mr. Sharma: When he talked about “new”, the “new” cannot be taken by itself because it exists in context with other clauses. Now the question is, what are they attempting to do with this “new”? [*Interruption*]

The Minister is saying, he spoke for 10 seconds, he said absolutely nothing, but what are they attempting to do? They are talking about new aldermen. Mr. Speaker, let me use an example, there cannot be an election for a speaker of this House unless the Speaker of the House ceases to exist by death or some other reason. The same way you cannot have election of new aldermen when the aldermen are there. Section 10(2) makes it very clear that the composition of the council based on the Act—and I refer to what the Member for Arouca North said in 2003. What has changed, what is new today?

In 1987 a similar matter came to this Parliament, it was treated. What obtained in 1987 [*Interruption*] those who went from councillors into the advisory which is the point Arouca North is trying to make across the table, is that they all existed. Then we came in 1990, same thing developed again, elections could not take place for one reason or the other; all existed. Then came in 1991, same thing; 2003—

So you see the NAR at work, you see the UNC at work and you see the PNM at work and on each occasion “new” never emerged. [*Interruption*] This is a new trick, it is a low trick and it is a dangerous trick. What the PNM is trying to do—one has to again, look at this in the context. The last time the PNM formed government was through the gift of the former President of this country; they had not won the elections. [*Interruption*] So this thing always occurs to the PNM and they feel they could come and railroad this Parliament. In 2002 they engaged the services of an external party; again that was new to the politics. [*Laughter*] [*Desk thumping*]

You see, Mr. Speaker, I am arguing that this cannot be. It cannot be and it cannot be for the reasons that—why are you introducing a new concept and how does this add value to the current situation? We went along with the thrust of the Prime Minister—the hon. Prime Minister; it is very unfortunate that he is not here. And certainly the Leader of Government Business is not in control at all. [*Laughter*—the Prime Minister came to this Parliament on recent occasions and said we need to enter new politics; you have heard that from our Political Leader as well, the Member for St. Augustine?

Hon. Members: No. [*Laughter*] [*Desk thumping*]

Mr. Sharma: You have heard that. When he advances his story of new politics; he said: “Part of the new politics must be to engage all the parties; we must always appear to be working in concert to arrive at the best for all the country.”

Hon. Member: New politics?

Mr. Sharma: Yes. [*Interruption*] Both Prime Ministers said that too; present Prime Minister and perhaps future Prime Minister. The point is, if we agreed with the Prime Minister and we did, in fact, when the Member for Diego Martin Central, when we adjourned the House told us what we would be doing at the next sitting.

So it was very clear that we were coming back at the next sitting to do something. What was that something? It was to extend the life of the council; we were not told of any new developments and we were not told of any new approach, so we went back. We went to see what this Parliament did, as part of our research it was required. So we looked at the Parliament of 1987, what did they do and I just advanced that they extended the council which included all members then. [*Interruption*]

Mr. Speaker: For the benefit of research as it were, but you need to come back to the amendment before us. Please, I am hearing arguments that I heard on the last occasion, concentrate on the word “new” please and may I inform you, according to the amendment they are deleting the word “new”. [*Laughter*]

Mr. Sharma: Exactly the point I am making! [*Laughter*] Exactly, Mr. Speaker. [*Desk thumping*]

Mr. Speaker, now that they are deleting the word “new”,—this is what we argued on the last occasion. If you delete it, exactly, you have to go with the whole council.

Hon. Member: Exactly, exactly! [*Inaudible*]

Mr. Sharma: Thank you very much and you know, I have made this point; sometimes it may require the Speaker’s intervention to say to the Government that you are doing nonsense! [*Laughter*] [*Desk thumping*] Exactly, I said and we on this side clearly indicated that you could not—

Hon. Members: You agreed! He agrees now.

Mr. Sharma: We agree that the council shall be composed, as the Member for Arouca North said in 2003; it shall comprise of the aldermen, mayors,

chairmen and councillors. That was your government; the government that you were part of. You have done this on three or four occasions.

So, Mr. Speaker, I am very glad that you have drawn to the attention of the House that they are deleting the word “new”, so there cannot be an election of aldermen, there cannot be an election of mayors or chairmen, because there are no provisions based on this, absolutely none. The Member for Diego Martin East could whisper, he has the right to get up and reply.

Mr. Imbert: I am not whispering, I am shouting.

Mr. Sharma: Mr. Speaker, this amendment cannot be taken in its singular context only; it has to be looked at in its larger context. How are Members of Parliament, how is the Opposition to be guided in its preparation for debate? It has to look at what obtains in Parliament. Are you saying, Mr. Speaker, maybe I should not put this question to you; is the Government saying that what obtained in 1987 was wrong? Is the Government saying what obtained in 2003 which they moved, because they were in Government, is wrong? And if that was wrong, what they are doing today is right? Cannot be. So we have to agree that what we did in the past has to continue, so this approach of “new” does not come into being at all.

In addition to that, I want to go back to clause 10(2) in the context of subsection (1)(b).

Mr. Valley: Where do you want to go, you are limited to “new”.

Mr. Sharma: “Yeah, yeah.” [*Interruption*] I am arguing that the attempt to delete the word “new” cannot be applicable and I am going to the authority that exists for same. The authority that exists for same which guides local government practices in this country, which guides this Parliament, because this is an Act of Parliament; Act No. 21 of 1990, section 10(2) says:

“The Council shall consist of the Mayor, Aldermen and Councillors.”

“Mayor” includes Chairman in section 2(1) of the same Act. Now, if this is correct then they cannot delete, they cannot delete the word “new” at all! How can you have “new”? To have “new” you have to have an election.

Mr. Valley: Make up your mind. [*Laughter*]

Mr. Sharma: Hold on. You are deleting the word “new” so that you agree— In the first instance, on Wednesday when they debated here, they agreed that it should exist. They have come today to delete it. [*Interruption*] Having deleted it,

then something has to happen. What has to happen is that the council must continue as it exists today; meaning, let us look at the Tunapuna/Piarco Regional Corporation, it has to exist with its councillors, its chairman and aldermen, simple as that. *[Interruption]* I would go further, if you delete the word “new” in this context what happens; what are they attempting to achieve? They are attempting to change, to legislate an election which cannot be, by deleting the word “new”. How is that? A council exists today which life shall be up to the 13th day of July. What exists in any regional corporation in this country, if you look at the City of Port of Spain, there is a mayor, a deputy mayor and a number of councilors; if you look at Point Fortin the same obtains, if you look at Siparia there is a chairman, a vice-chairman, a number of councillors and aldermen.

The Government is attempting to say today, listen, we are going to delete the word “new” in subsection (1D) in paragraph (b)(i) so that in every regional corporation the aldermen would cease to be, the mayor would cease to be and the chairmen would cease to be. They have given no authority for it, so it cannot take place. When you look at this subsection that is intended to be deleted and you look at clause 2 of the Bill, again the clause cannot exist without the Bill; the subclause cannot exist without the Bill.

Clause 2 of the Bill states that the amendments are being made, “for the purposes only of the elections...” So that you have to continue in a particular way, there are no elections, only when an election takes place you can have the election of aldermen, et cetera. Correct, Member for Diego Martin Central, no election, you cannot have election of alderman so it has to continue? So the argument from the Opposition is, very simply put, that what the Government is trying to do is to do an illegal act and we on this side must be very careful, we must be very careful that we do not bow to pressure; we do not bow by one word “new” to give up our work. Because this is what we have been asked, come here and you introduce one word, you went two places, you were able to lobby support or however you got it and we stop there. It cannot be!

This affects the life of approximately one million people in this country and the people in Tunapuna have not been consulted. According to the Municipal Corporations Act, 1990, “Mayors, Chairmen, Aldermen and Councillors all hold office for equivalent periods...”

[The Prime Minister enters the Chamber]

Mr. Prime Minister, it is always nice to have you in this Parliament.

Mr. Speaker, since I made reference to the hon. Prime Minister in his absence, I want to say to the Prime Minister through you. Hon. Prime Minister, in us

arguing this Motion, we indicated that we listened to your assumption on the last day when you indicated that the local government election had to be postponed for reasons that the Government knows best, for which we agreed at that time, and you also said that the council would continue in its present manifestation. Since the hon. Minister laid this Bill in the Parliament it has changed and I went back and showed—I can only show what exists; I cannot create anything—that in 1987 we were faced with a similar situation and we extended the entire council, the same obtained in 1991 and it obtained in 1992, in fact I just made reference to 2003 when you were head of Government when the same extension took place and what obtained in 2003—if we could use that as a reference point because that is the point that you had full control over—what existed is that all the councils continued with the current membership, meaning the aldermen, chairmen, et cetera.

We have no options now, they have now come and introduced something moving away from what we were told when we came to this Parliament and we did all the research. The research is very clear that we can only go by the precedent set in this Parliament. I am sure the Speakers who presided then agreed that it was the correct thing; both sides agreed, in fact, it came under three different governments; under the NAR, under the UNC and under the PNM government.

Mr. Speaker, I was making the point that to delete the word “new” cannot be and it says according to the Municipal Corporations Act, 1990, “Mayors, Chairmen, Aldermen and Councillors all hold office for equivalent terms.”

You are doing a disservice, you are doing something illegal; you are taking away the office from the aldermen when the Act says very clearly; Act No. 21 of 1990 and the reference is in sections 15(1), 12(5) and 11(4) of the Municipal Corporations Act. In fact, section 15(1) states that: “The Mayor shall hold office for a term of” which shall be the same as that of councillors and aldermen. Maybe I need to repeat that, Mr. Speaker. According to section 15(1) it states that: “The Mayor shall hold office for a term” which shall be the same as that of councillors and aldermen.

Mr. Prime Minister, we cannot change that; we cannot legislate—

Mr. Manning: We are not changing the term, we are extending it.

Mr. Sharma: You are changing it! Because what you are saying is that the corporations would no longer have the aldermen and chairmen, that you are going for an election of that and that cannot be. It cannot be!

Mr. Ramsaran: Are you saying then that the hon. Prime Minister misled this Parliament a couple of months ago when he came here and announced that nothing would change?

Mr. Sharma: No, I think his Ministers misled him. *[Laughter]* I do not think the Prime Minister has ever done any such thing. Mr. Prime Minister, on the last day—I really feel good sense should prevail. I feel there should be an adjournment of this House, let the minds meet and agree; there could be disagreement, nothing is wrong with that. What are we arguing; what is the Opposition arguing. *[Interruption]*

Mr. Speaker: Order! I think I have heard you, unless you have anything new; *[Laughter]* *[Desk thumping]* I would have to ask you to take your seat.

Mr. Sharma: Mr. Speaker, it is only because you are from south I know how strong you feel about the Parliament. *[Interruption]* “New” could have a million meanings. I am doing what I am elected on five occasions here to do and if you think I am not new— *[Interruption]*

Mr. Speaker: Hence do not repeat the arguments that your good self and other hon. Members made on the last occasion, and I said before you have to concentrate your contribution on the deletion of the word “new”. I am giving you a little latitude but you cannot stray too much, please.

Mr. Sharma: Mr. Speaker, the amendment allows any Member on both sides of the House to speak for 75 minutes. In addition to that— *[Laughter]*

Hon. Member: You are challenging the Speaker.

Mr. Sharma: Allow me to make my point please.

Hon. Member: Are you questioning the Speaker?

Mr. Sharma: I am not questioning the Speaker the least bit. I am simply saying that the amendment has to be taken in context with the Bill! *[Interruption]* For me to arrive at anything new I have to look at the entire Bill, or am I not to look at it?

Mr. Valley: You should.

Mr. Sharma: Right! We have agreement that I am required to look at the entire Bill. *[Interruption]* The ruling of the Chair.

Hon. Members: The ruling of the Chair.

Mr. Sharma: That is the general practice. *[Crosstalk]*

Mr. Imbert: Speak only on the amendment.

Mr. Sharma: The amendment does not exist by itself. The amendment is part of something and it is part of the Bill. *[Interruption]*

Mr. Speaker: What I am trying to do is to prevent a Government Member from raising Standing Order 43(2) on you, so please, I am trying to assist you. *[Interruption]* No, you are quoting the wrong Standing Order, 43(2), please continue.

Mr. Sharma: Mr. Speaker, the last time I was suspended from this Parliament was for 130 days without pay. *[Laughter]* It was very difficult times.

Hon. Member: Ask Mr. Valley about that. *[Inaudible]*

Mr. Sharma: I see a Minister from the other place who controls the finance of this place; in case you are hearing me, Sir, I was not paid for 130 days. *[Laughter]*

Mr. Speaker: Again, you cannot do that.

Mr. Sharma: I withdraw it. *[Laughter]* I withdraw it; do not pay any attention to what I said.

Mr. Speaker, this proposed subclause to delete the word “new”, what is it intended to achieve? The Minister did not say, so we are to assume; we are not told anything. *[Interruption]* We are at that disadvantage, but my understanding of it is that the Government in its wisdom, or lack of it, intends to have the corporations continue as it did on previous occasions; as I could recollect it, on three previous occasions: 1987, 1991 and 2003 and on those previous occasions which is the only guide that obtains in this Parliament, the councils continued based on section 10(2).

Further, in order that there be continuity and no gap in the positions of mayors/chairmen so that deleting the word “new” would defeat this purpose, because what the Minister said is that they wanted continuity. They wanted to make sure that the councils could function in the way that they were intended to function. Act No. 21 of 1990, subsection 15(2) provides for a mayor/chairman to, “...continue in office until his successor”, is appointed; that only comes from an election, so you cannot delete the word “new”. If you do that then you are going against the very Act that guides us.

I find it extremely difficult to understand why the Government is pretending that this is incorrect. What are they hoping to achieve; how is this adding value to

the lives of our citizens? What is the role of the Opposition; is the role of the Opposition not to make sure that it comes and defends the interest of the people to the best of its knowledge? The proposed amendment in this context departs from the principle that existed in the past; a total departure. If the departure would help the country, we would agree. I heard the foolish argument advanced by the hon. Minister that there are some mayors and chairmen who do not wish to continue or they are afraid to fill out the Integrity Commission forms; that has no relevance. This Parliament is not to decide the personal choice of an alderman.

Hon. Member: That is not the issue.

Mr. Sharma: There cannot be an election for Prime Minister if—

Mr. Speaker: Mr. Sharma, please I have spoken to you already.

Mr. Sharma: Sorry, sorry.

Mrs. Robinson-Regis: Mr. Speaker, on a point of order, Standing Order 43(2), please, Mr. Speaker.

Mr. Speaker: Yes, I did warn the hon. Member for Fyzabad that some Member could raise this, but you can only raise it if I officially warn him, so you are a bit premature at this point. If he continues, I can assure you and this House that I would have to ask him to discontinue. Please continue.

Hon. Member: Let the man talk! [*Crosstalk*]

Mr. Speaker: Order! Order!

Hon. Member: This is PNM House!

Hon. Member: Let the man talk. [*Crosstalk*] [*Desk thumping*]

Mr. Sharma: Since the Member for Arouca South has raised Standing Order 43(2)— [*Interruption*] Maybe we need to revisit what has been happening in Parliament. I think that is the only way we can agree, and if it is that the Opposition is wasting its time advancing—

Mrs. Robinson-Regis: Mr. Speaker, Standing Order 37(2), please. [*Crosstalk*]

Mr. Speaker: Okay, I hear you, but I have indicated to the Member that if he strays I would bring him to book, please continue. [*Desk thumping*] [*Crosstalk*]

Mr. Sharma: In the proposed subsection (1D), the intention to delete the word “new” in paragraph (b)(i), what does this do for us? It poses a serious problem and what is this problem—because the Municipal Corporations Act

provides for the deputy mayor/vice-chairman which was corrected on the last occasion, so they agreed on the previous occasion, Wednesday when we were here there must exist the deputy mayor and the vice-chairman.

Hon. Member: Good point, good point. [*Desk thumping*]

Mr. Sharma: On what basis did they agree to that? Now, it means that in every corporation where it applies there should be a mayor, a deputy mayor, a chairman and a vice-chairman, by deleting the word “new”, you are saying that they shall cease to exist and that cannot be and that is the nutshell of the argument made by the Opposition.

No corporation in this country shall exist without a chairman where a chairman applies or a vice-chairman or in the case of city or borough a mayor or a deputy mayor. What the Government is attempting to do by deleting the word “new” in subsection (1D) in paragraph (b)(i) is to say that shall not be, you cannot change the composition, the Parliament cannot change the composition.

Hon. Member: Of what?

Mr. Sharma: Of the boroughs or the corporations and that is what you are attempting to do.

Hon. Members: That does not change.

Mr. Sharma: Say again?

Hon. Member: That is what he is asking.

Mr. Valley: If Parliament cannot change something who could change it?

Mr. Sharma: You cannot change it in the context in which you are doing it now. [*Interruption*] Yes, but you have not introduced a law to change it.

Hon. Members: So what do you call this?

Mr. Sharma: Hold on, you have not introduced a law to change it.

Hon. Member: What do you call this?

Mr. Sharma: No, no.

Dr. Moonilal: This is fraud.

Mr. Sharma: No, no, you see, again the Government—it is good to have communication because they are now buying into it. They seem not to know what they are doing.

Hon. Member: You are wasting Parliament time.

Mr. Sharma: It is very clear and that is why I sincerely made the comment, when the Prime Minister is not here the Members opposite do not know what they are doing. They mean well, like all of us, we mean well but they lack the experience, they do not do their research, they do not do any homework; they just come here and say we in Government, we have the advice of the legal brains elsewhere. It is clear, it cannot be done!

The Government has not shown us how is this to be achieved. First of all, if it could have been done, why did the Government not do it in 2003? And the reason they did not do it—and the hon. Prime Minister was the Prime Minister then—it could not have been done. And then in 1987 it was the NAR Government, they did not do it because it could not be done and 1991 it was the UNC Government. In fact, the Parliament has the experience and the wisdom of three Parliaments under three different governments and I think under three different speakers. *[Interruption]* It could not be done and it cannot be done and we are saying that we have to be very careful.

Mr. Valley: You want the amendment. I know you want the amendment. *[Inaudible]*

Mr. Sharma: Let me further make the point that you cannot delete the word “new” and it is not applicable in the context. *[Interruption]* What happens in the event of death, resignation, removal or disqualification of a mayor or chairman for any reason; the deputy mayor— *[Interruption]*

Mr. Speaker: Order!

Mr. Sharma: Mr. Speaker, very interesting, in fact they should clear it, after this if we have agreement I could sit. What happens if a mayor dies, who takes over? The deputy mayor takes over. If a chairman dies, the vice-chairman takes over, as a result, the councils are designed to always have, like a Parliament must always have a speaker, a country must always have a Prime Minister. In the same way if you remove this, there is no chairman, there is no—

Hon. Member: What are you saying? *[Inaudible]*

Mr. Sharma: Well, the hon. Prime Minister who is the longest serving Member of Parliament in the Commonwealth with the most experience in this Parliament, if you add the years of all the other Members here they cannot touch five years of the Prime Minister. He has indicated that he is going to intervene so I would close by simply saying that the Opposition in its research looked at what

existed in the past and what existed under three governments, under three speakers and under three ministers is that similar extensions were required and what obtained then, the councils continued with the chairmen, the mayors, the vice-chairman and the deputy mayor. We are arguing on this side that the same should obtain; that the councils should continue, as a result the Government needs to withdraw the amendment and simply say that the councils would continue as they did on the previous four occasions.

I thank you very much, Mr. Speaker.

Mrs. James: Thank you, Mr. Speaker. I just want to clear up something. I belonged to a council that went through this same exercise for two terms and what they did? They put an advisory committee in place—one was under the NAR and one was under the PNM. [Interruption] They put an advisory committee in place and it was a very frustrating period I can tell you.

Mr. Valley: Tell them what happened with that.

Mrs. James: Because we as councillors had no privilege whatsoever, no kind of authority. We attended meetings, yes but we could not say a word in defense of our area, we had no authority. We had no authority to do anything. [Interruption]

Hon. Member: Confine yourself to the word “new”.

Mr. Speaker: You do have to confine yourself to the amendment.

Hon. Member: The word “new”. [Desk thumping]

Mrs. James: I just wanted to clear this up, Mr. Speaker. [Interruption] Mr. Speaker, what I want to say is that what the Government is trying to put in place now is far better than what obtained before and I am glad for this because the councillors would have authority. They would appoint the aldermen and nothing is wrong with that. If you want to change your alderman that is up to you, but I do not see any reason for it and you should not be afraid.

This is a new way and a good way of doing this business [Desk thumping] and I thank the Government for having the foresight to put back the councillors this time in their position.

Thank you very much, Mr. Speaker.

2.30 p.m.

Mr. Imbert: Thank you Mr. Speaker. Confining myself to the word "new" and the deletion of the word "new", that the word "new" appears in clause 2(1D)(b) of the legislation and what the Member for Fyzabad has missed, whether deliberately point or otherwise, I am not sure whether the Member for Fyzabad has missed the

point deliberately or otherwise, but in that very section, the proposed subsection (1D) where we are going to delete the word "new", if one looks at the amendment, it is an amendment to clause 2 in the proposed subsection (1D) where we are taking out the word "new", in that very subsection (1D).

Hon. Member: Read it out for us to hear it.

Mr. Imbert: I am going to.

“subject to sections 15(2) and 12(6), the term of office of each Mayor, Deputy Mayor and Alderman shall expire at the end of the existing term and—

(i) the Councillors shall elect...”

well the old legislation had

“new Aldermen for a term of twelve months, in accordance with section 13; and

(ii) the Councillors and Aldermen shall elect a Mayor or Deputy

Mayor for a term of twelve months...”

Mr. Speaker, we are seeking the approval of this Parliament to take out the word "new", and therefore, any student of the English language would be aware that by taking out the word "new" the sentence would now read as follows:

"subject to sections 15(2) and 12(6), the term of office of each Mayor, Deputy Mayor and Alderman shall expire at the end of the existing term and—

(i) the Councillors shall elect Aldermen...”

Hon. Member: [*Inaudible*]

Mr. Imbert: Exactly.

Hon. Member: Well we know that.

Mr. Imbert: By deleting the word "new", we have removed all possible ambiguity; all possible confusion; all possible misunderstanding as to whether the word "new" in here meant that you could not put back the old aldermen. Any student of the English language would understand that, by taking out the word "new", it gives total flexibility; total freedom and there is now clarity. You no longer have the word "new" inside of here which gave the impression, to some people, that it meant that you were constrained and you had to put back “new” aldermen and you could not put back the old aldermen.

So we have removed the word "new" so you could put back the old ones, you could put back new ones; you could do whatever you want, it is all up to the Leader of the Opposition on that side to determine whether the aldermen would be new or the aldermen would be old. The more salient point in subsection (1D) where we are taking out the word "new" to remove all of this confusion about whether it should be old aldermen or new aldermen, in the same subsection (1D), it says, subject to section 15(2) and subject to section 12(6).

Mr. Speaker, if the Member for Fyzabad had bothered to read the parent legislation and had bothered to find out what is subsection 15(2) and what is subsection 12(6); if he had bothered to spend two seconds reading the parent Act he would have discovered that sections 15(2) and 12(6) of (1D), where we are taking out the word "new" is a saving clause. Section 15(2) saves the existing mayors and chairmen and section 12(6) saves the existing aldermen. So by saying that this is subject to 15(2) and 12(6), it means that those two clauses will ensure that the old Mayors, Chairmen and Aldermen will remain in office—and by that, I mean the “old” ones, since you have a problem with the old and new—until their successors are elected.

If the hon. Member for Fyzabad had been paying attention during the previous debate; the Member for Siparia, the Leader of the Opposition understood fully and completely what we were doing when we introduced that amendment to make it crystal clear, that this was subject to sections 15(2) and 12(6), so that the old aldermen, old chairmen and old mayors remain in office until their successors are appointed, because of this clause, and we have taken out the word "new" now, which means that you could put back the old ones or new ones, that is all it is. It is an exercise in total democracy and total flexibility.

The Members opposite are now given the degree of comfort that they require that the existing aldermen and chairmen would remain in office until the election of aldermen and you are now not constrained by having to put in fresh aldermen or new aldermen, you could put back the old ones. That is all it is, Mr. Speaker. A child in primary school could figure that out and all of this tra la la and carrying on and saying that the aldermen and the chairman would disappear and therefore, you cannot put them back; absolute nonsense. If the Member for Fyzabad had only read the legislation, he would not have come and talked this arrant nonsense in this Parliament today.

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

Hon. Member: Well said.

Mr. Manning: Mr. Speaker, the Parliament is considering this afternoon, a very simple amendment to legislation that was passed in the other place and which is before us as it were for concurrence. The word "new" in the legislation that was approved in this honourable House a few days earlier, in relation to aldermen is being removed in the wisdom of hon. Members of the other place, so that maximum flexibility is retained in either the retention of existing aldermen or the appointment of new aldermen as the case may be. Under normal circumstances, I would have restricted my remarks purely to the matter that is before us. However, the hon. Member for Fyzabad in his contribution this afternoon, adverted to a number of related issues which in the interest of equity, we could not leave unattended and unanswered in the parliamentary record. So for the purpose of correcting the record, I crave your kind indulgence.

Mr. Speaker, the fact that in 2003 or 1999 or 1998 or in some previous incarnation, a particular course of action was pursued, does not mean to say that the options available to the State are restricted to the actions and those actions only and that is if the Member for Fyzabad was correct, but the Member for Fyzabad was not correct. Because in at least one instance in the years in which he had called, the term of office of the council was allowed to run out and when that happened, mayors and chairmen stayed in place and everybody else was out of office. In those circumstances, what the Government of the day did, was to introduce legislation that made—it was not done by legislation, it was done by Cabinet decision—to take a decision in the Cabinet, that made the previous members of the council, elected, and nominated, advisory to the mayor or the Chairman and therefore they stayed in place. Even though they were only advisory and that the chairmen and the mayors under that arrangement assumed executive authority; that is the reality.

If action is taken before the council expires, one set of options would be available to you; but if action is taken only after the life of the council expires then there is a different set of circumstances altogether. The mere fact that one course of action was pursued before does not necessarily mean that that is the only course of action that is available. The Government in coming to its conclusions on this matter, examined very carefully what the implications and options were, and perhaps for the first time in a long time that was done.

I remember when I acted as Minister of Agriculture, many, many years ago, we sat down and we began to consider the Land Acquisition Ordinance. The conventional wisdom at the time was, that to be able to enter into a particular property that is the subject of an acquisition proceeding, you can only do so under

section 4 of the Land Acquisition Ordinance, and when we examined the ordinance that was the conventional wisdom. When we examined the ordinance closely after many years on a particular view prevailing and in a particular course of action being taken in respect of the intervention on property in circumstances such as these, we realized that it was possible to do it under section 3 and not under section 4. Therefore, the conventional wisdom just went through the door and new arrangements began to be pursued because of a much closer examination of the legislation before us and a new revelation and understanding on the possibilities that the ordinance would have granted to you. So it is in this case.

What does an election do at the local level? All an election does, is to elect councillors, that is what an election does. An election elects councillors and if therefore we say, we are postponing an election; all that we are doing is postponing the election of councillors. And therefore, if the councils are to continue, the only action that the Parliament requires to take is to extend the life of the councillors who under normal circumstances would have gone out of office and would have been the subject of action by the electorate. That is all it does.

Therefore, all that the Parliament is called upon to do, is to do what would have been done had an election taken place and that is, that councillors would have been elected to the council and the procedures and processes outlined in the law, would then take effect. That is all we asked the Parliament to do, and therefore, we are doing nothing outside of that. What in fact we are doing, we are treating with this matter in the classic way in which it ought to be treated, in accordance with the legislative framework within which the local government election takes place and local government bodies operate. That is all that is taking place.

The other place was quite correct. The other place was quite correct; it was an oversight on our part here to pass the legislation with the word "new" associated with Aldermen. In fact, those whose responsibility it is to elect aldermen, cannot be told by law that you could only elect new aldermen. In fact, those who are aldermen at this time and who under normal circumstances would be eligible for re-election to the position of aldermen, it would have been improper on the basis of actions taken by this Parliament to exclude them with improper consideration. That is the reality of it. So what the legislation before the House really does, it puts the situation on all fours. It makes the thing as pure and clean as it ought to and could be and all we are asking hon. Members to do is to agree with hon. Members in the other place. To agree with them, to agree with their foresight and

to remove from the legislation just one word that gives us the flexibility and makes it as correct as it ought to be and causes us to keep faith with legal and constitutional propriety.

Mr. Speaker, that is all that there is to it. And in those circumstances, those on this side, I speak for my colleagues on this side, we support the legislation and commend it for the consideration of the hon. Members.

Thank you very much. [*Desk thumping*]

Mr. Speaker: The hon. Minister. [*Crosstalk*] No, the way you waved and then you sat.

Mr. Ramnath: No, I had my hand—[*Inaudible*]

Mr. Speaker: Very well. I would love to hear you.

Mr. Ramnath: I have no intention of depriving the hon. Minister from speaking because he would have that opportunity shortly. I think this is a very exciting debate. [*Laughter*] It is not very often the Prime Minister enters a debate that is not very exciting and it is good to see his interest in these matters because clearly, this is another attempt to politicize this issue. It is another attempt to defend the Government's conspiracy to seek to acquire further control of certain local government bodies.

Mr. Manning: Which one?

Mr. Ramnath: And particularly the one in which you would definitely have to pull that in order to control.

Mr. Manning: You would see windmills all the time.

Mr. Ramnath: No, I do see windmills; I am unlike you who see ghosts. I see the reality. First of all, the Prime Minister would have to admit that it is based on their incompetence that this issue has arisen. They have had three years to look at reforms, if such reforms are forthcoming. I am simply replying to the Prime Minister as to why this has become necessary. They have had three years—

Hon. Member: Four years.

Mr. Ramnath:—four years in order to bring the reforms before the Parliament to hold discussions and they have done nothing. So far, what they have done is to prepare a White Paper which is the prerogative of any Government. I am not going to debate the White Paper, I am simply saying that if you are simply extending the term of office, then there is no need as the Prime Minister indicated

for having new elections of aldermen, chairmen and so forth. What should have happened, so that this debate on new and old would not have occurred, was for the Government to simply extend the term of office during which time they would have had an opportunity to discuss the White Paper.

But the basis for this debate and this new amendment to the Municipal Corporations Act is one that has sinister motives. We could have simply solved this problem of extension, if it is simply one of extension, by coming to the Parliament with an amendment which simply puts to the House the need for extending the life of the councils, councillors, aldermen and chairmen. That was all that was needed. So we do not need to go into its history and to look at the need for Government exercising its executive authority to change approaches. So if in the past, chairmen and whoever was there would have executive authority and not the councillors, if that did not prove successful, you are saying today, we should exercise our authority to have a different approach to governing these local government bodies.

In the interim, you are talking about a year, that is what you are talking about, if that much, so that you would have an opportunity to have this White Paper debated properly and legislation brought before the House. Why are you entering into all of this debate? There is a huge traffic jam coming from San Fernando to debate whether we should put “new” or leave it blank and so forth. And such highly paid people sitting on the other side, wasting their time when they should be in their offices working hard, managing the petro dollars, \$75 US now for a barrel of oil. You should be praising the Lord for that, that this country continues to benefit from a windfall rather than coming here and wasting the Speaker's time.

Mr. Manning: You know the Lord?

Mr. Ramnath: I am closer to him than you could ever be.

Mr. Partap: Take that!

Mr. Ramnath: He does not know who he is talking to. No. You are talking to a Christian here. [*Laughter*] Mr. Speaker, for the Prime Minister to enter into the debate to say that we are doing something different, of course, you are doing something. Doing something different does not mean you are doing better or you are doing something new. And let me just say that this has to do with language because when—this was not a mistake on the part of the hon. Minister who moved the Motion, who introduced the Bill, it was not a mistake. In fact, if you remove “new” or you leave it there, it makes no difference because once the term of office has expired, everybody is new. Once the term of office of the aldermen has expired, anybody else, even if you put them in there, they are new.

Mr. Manning: I thank the hon. Member for giving way, Mr. Speaker. If that is so, on what basis did the hon. Members in the other place seek to remove the word “new”?

Mr. Ramnath: I have always questioned the need for hon. Members in the other place, [*Laughter and desk thumping*] especially since they take so much time off to rest during debates and so on. [*Laughter and desk thumping*]

Mr. Valley: Get that. Division, number three.

Mr. Ramnath: The press has a field day, even looking at you Mr. Prime Minister, taking your snooze from time to time. [*Interruption*]

Hon. Member: But the first day you are sleeping? [*Crosstalk*]

Mr. Ramnath: So we received a lecture from the Member for Diego Martin East, who obviously is usually put to utter words like “nonsense” and “rubbish”. He describes every contribution in the most unparliamentary manner as if he alone is granted with that gift of articulate eloquence.

Mrs. Robinson-Regis: Eloquence?

Mr. Ramnath: Eloquent articulation, I would change it around a little bit; you are the expert on language. So he comes to the Parliament and he dismisses because of his feeling of superiority in the area of linguistics.

Mr. Manning: Intellect.

Mr. Ramnath: No, intellect is different.

Mr. Partap: “Nah, nah.”

Mr. Ramnath: Much different. I might assume that you have some intellect.

Mrs. Robinson-Regis: [*Inaudible*]

Mr. Ramnath: Extremely so. So Mr. Speaker, the failure to continue, in fact, if I may speculate, it might be as a result of the intervention of people from the other place that the public is becoming aware that the Government has motives other than extending the life of councils. In fact, this debate on one word is an opportunity for the public to confirm that this is a conspiracy on the part of the Government to try to seize the Mayaro/Rio Claro Corporation which is now controlled by the Opposition UNC on the basis that there was a draw for selecting aldermen.

What happened? Why do you want to put the people of Rio Claro through that anymore? *[Interruption]* There are two seats which are being served by this corporation, that is the new Mayaro seat and the Princes Town South seat. And I am saying that my view is, and the view of a lot of people, that the Government knows that if the situation remains as it is, they would not be able to use that corporation to carry out their political work that they plan to do over the next few months or so before the next general election. So you have nothing to lose. What you have, you have everything to gain because if you pull for the control, you can very well win.

Mrs. Robinson-Regis: Very well lose.

Mr. Ramnath: But if you lose the status quo remains. So why do you not allow the status quo to remain and let the councils which have been working, and for no good reason, you are having this legislation through, why would you not let the status quo prevail?

Mr. Speaker, this amendment and the subsequent amendment brought before us here today, is nothing but an attempt to give the PNM a second chance. And I repeat that the opportunity to raise the matter once again gives an opportunity for the public to understand that there is a mass conspiracy in this matter. The Government knows that with the support of certain corporations, it can provide funding wherever it sees fit and in a discriminatory manner. If however, the Government decides to provide funding in areas in Mayaro/Rio Claro and that funding is not supported by the regional Government, then clearly, there would be concerns expressed publicly. But if you have a corporation that is supportive of the Government, you would not hear anything.

Mr. Speaker, right in Couva, 28 roads were paved and the corporation did not know about those roads being paved until the paving actually started. One of those streets is where I live; it is called Balisier Street, close to where I live. And Balisier Street is a street under the control of the Couva/Tabaquite/Talparo Corporation and while we all welcome the paving of these streets, the Couva/Tabaquite/Talparo Corporation was not aware—there was another Minister, I think it was under some PURE programme, whatever the acronym means. The point I am making is that the central government uses its authority wherever it can to do things without consultation with the regional governments. So that I do not believe that this is anything other than to provide a new opportunity for the present regime to try to take care of that eastern region.

Mr. Speaker, they know that under no condition will they be able to win the Mayaro seat in another election. They know that under no condition they would be able to win the Princes Town South seat in another election, and despite what they say and the detractors of this party to which I have the honour to belong, no matter what you say and the comments that you make, victory is ours when that time comes. So clearly, the Government is worried; the Government is extremely worried that those marginal areas unless they do something miraculously, will not go to them. And look at the extent of this conspiracy to come and waste the time of the Parliament on two occasions when they could have simply come with a simple Bill and say, let us extend the life of the councils for another year during which time we are going to bring the White Paper before the House for debate and we are going to have a Bill before the House and you tell us no, we need one year.

I am saying that this was not necessary at all, that there are more important things to do in the country. So I wanted to make only that one point. There is no need for this; there are two points really, once the life of the council comes to end, anybody who is elected, chairman or aldermen is considered a new person. So the professors in the other place who wish to confirm that we need to reiterate their position of removal there, they are also wasting our time.

3.00 p.m.

There was absolutely no necessity to bring this matter before the House, but it has given us a glorious opportunity to expose the conspiracy to take a corporation by default, hoping that they would use it in their campaign. [*Desk thumping*] Interestingly, the vote in the other place was 16 to 14, so it means that eight Independent Senators voted against this amendment; clearly those Senators would have understood that there was absolutely no necessity for this major intervention of creating the word "new." That is all I want to say.

Thank you.

Mr. Dumas: Mr. Speaker, the change in the amendment was the product of deliberations in the other House and it has been brought to this House for consideration. I think it is worthy of support.

I beg to move.

Mr. S. Panday: Oh, no! That is the way to debate? You yourself are not convinced. [*Crosstalk*]

Question put and agreed to.

**TREASURY BILLS
(AUTHORIZATION TO BORROW)**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Mr. Speaker, I beg to move the following Motions standing in my name, having received the concurrence of the House to treat with them together.

Whereas section 2(1) of the Treasury Bills Act, Chap. 71:40 provides that the Minister of Finance may borrow in Trinidad and Tobago such sum or sums not exceeding in the aggregate, two thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies and such further sum or sums as may be specified by resolution of Parliament, or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills:

And whereas it is necessary for the Minister of Finance to borrow further sums of money for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago:

Be it resolved that for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate fifteen thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills.

This Resolution would allow for the increase in the limit of borrowings under the Treasury Bills Act, Chap. 71:40, from the current limit of \$500 million to \$1,500 million.

Whereas section 3(1) of the Treasury Notes Act, 1995 provides that the Minister of Finance on the written advice of the Governor of the Central Bank of Trinidad and Tobago may, for the purpose of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, borrow money in Trinidad and Tobago in such sum or sums not exceeding in the aggregate one thousand million Trinidad and Tobago dollars and such further sum or sums or the equivalent thereof in any foreign currency or currencies as may be specified by resolution of Parliament, by the issue of Notes:

And whereas it is necessary for the Minister of Finance to borrow further sums of money for the purposes stated in section 3(1) of the Act:

Be it resolved that for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate five thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Notes.

Mr. Speaker, the second Resolution would allow for the increase in the current limits of Treasury Notes under Act No. 14 of 1995, from \$3,000 million to \$5,000 million.

Since 1996, Central Bank of Trinidad and Tobago has indicated that it has been using the sales and purchase of Government Treasury Bills and Notes to conduct open market operations aimed at managing liquidity in the financial system. Excess liquidity in the banking system is seen as a structural phenomenon which is the result of two factors; firstly, about a third of the fiscal revenues come from the offshore sector and, as such, does not represent an internal transfer of the resources to the Government and, secondly, the Government runs a sizable domestic non-oil fiscal deficit, which implies a net injection of liquidity into the banking system.

The ceiling on the available supply of Treasury Bills and Notes was raised in January 2003 by an additional \$5 billion to \$8 billion. This was to facilitate the mopping up of excess liquidity in the banking system through the expanded use of open market operations. This excess liquidity in the banking system was caused mainly by the domestic non-oil deficit which averaged \$1.9 billion over the period 1999 to 2002. Over this period, the Central Bank sold an average of \$940 million of Government securities to mop up liquidity and sold the equivalent of \$1 billion in foreign exchange which had the same effect.

The Central Bank had recommended that the issue limit of Treasury securities be increased by a total of \$12 billion which should comprise and increase of an increase of \$10 billion in Treasury Bills and \$2 billion in Treasury Notes. The bank anticipated that given the present trend in liquidity expansion, this additional increase would enable it to have sufficient capacity to manage liquidity over the next few years.

The majority of the increase, \$10 billion would be devoted to open market operations and \$2 billion would be used to assist in the development of Government securities market by providing the market with medium term, one- to five-year Government paper. Moreover, the resources from the sale of Treasury

Treasury Bills (Authorization to Borrow)
[SEN. THE HON. C. ENILL]

Friday, July 07, 2006

Bills and Notes used for open market operations would continue to be held in a blocked account at the Central Bank and so would not be available for budgetary purposes.

Mr. Speaker, Treasury Bills and Treasury Notes are categorized as tools of open market operations and along with the repo rate are the main instruments of monetary policy the bank uses to guide economic and monetary activities. Against a context of excess liquidity in the financial system, the bank has utilized the open market operations and the repo rate to contract monetary activities. It is within this framework that the request for adjustments in Treasury Bills and Treasury Notes limits has been made. An examination of these policy instruments and domestic economic developments would assist in an understanding of the current framework.

Central Bank has been reducing its reliance on the statutory reserve requirement as a major tool of monetary policy management. In October 2003, the Central Bank announced the following phased plan for the reduction of the reserve requirement. Phase I, a 4 per cent reduction in the reserve requirement from 18 per cent to 14 per cent, was effected on October 22, 2003; phase II, a 3 per cent reduction in the reserve requirement from 14 per cent to 11 per cent was effected on September 10, 2004. Phase III, a 2 per cent reduction in the reserve requirement from 11 per cent to 9 per cent. The implementation of this final phase has been deferred pending the existence of the appropriate economic conditions.

This reduced reliance on the reserve requirement as a measure of monetary policy, is a growing trend in developing countries as they switch to more market-based instruments. In May 2000, the Central Bank introduced a repo rate, which is the rate at which the Central Bank is prepared to provide overnight financing to commercial banks that are temporarily unable to meet their liquidity requirements. The repo rate is the principal instrument used by the Central Bank to influence the structure of the commercial banks' interest rate. This rate which was first introduced at 5.75 per cent in May 2002 was reduced to 5.25 per cent in August 2002 and, subsequently, to 5 per cent in September 2003.

Against this background, the sharp narrowing in the differential between short-term TT and US dollar rates and a persistent liquidity overhang, the repo rate has been increased on several occasions by 25 basis points each in 2005 and 2006 and now stands at 7.25 per cent. The increases in the repo rate have led to an upward movement in commercial banks' prime lending rate. Their prime lending rate has increased from 8.75 per cent in April 2005 to 11 per cent at the present time.

Mr. Speaker, the effectiveness of the repo rate as a transmission mechanism depends on keeping liquidity tight in the system. Open market operations are used to achieve this. The Central Bank assesses market requirements on a daily basis with a view to either increasing or reducing the level of liquidity in the banking system. If liquidity is deemed to be insufficient, the Central Bank buys securities outright or engages in short-term collateralized lending through the repurchase facility, thereby adding liquidity to the system. Conversely, where there is too much liquidity, the Central Bank sells securities to the system, thereby reducing the level of liquidity.

High levels of liquidity have been evident for several months. As a result of these conditions, the Central Bank has maintained an active presence through its open market operations. At the beginning of the financial year 2004/2005, the amount outstanding on open market operation bills and notes was \$3,397 million. This increased to \$6,508 million by September 2005 and further to \$6,820 million by the end of June 2006.

The current limit on Treasury Bills and Notes is \$8 billion of which \$7 billion is allocated for open market operations and \$1 billion which represents debt management securities. The Central Bank has significantly increased the level of open market operations in an effort to address expanding liquidity created by an expanding economy. The average monthly fiscal injection, which is the primary source of liquidity, amounted to about \$586 million in fiscal year 2005, compared with \$262 million in fiscal year 2004.

In response, Central Bank net sales of open market securities averaged \$259.3 million a month in fiscal year 2005, compared with \$87.9 million a month in fiscal year 2004. Central bank sales of foreign exchange amounting to US \$545 million in fiscal 2005, also contributed to the absorption of excess liquidity.

There has been an increase in inflationary pressures from the beginning of 2005. As we have said before, the retail prices index rose by 7.97 per cent on a year on year basis in May 2006, with food prices continuing to be the major cause of this increase. In May 2006, food prices were 23 per cent higher than a year earlier. Core inflation which excludes the impact of food prices, measured 3.42 per cent in September year on year. This measure of the underlying rate of inflation has increased from 2.51 per cent as of January 2006.

In view of these highly liquid conditions, the Central Bank has introduced additional measures geared towards managing liquidity and improving the efficiency of monetary policy. The specific measures are as follows: The rate paid on special deposits held by commercial banks at the Central Bank which was

Treasury Bills (Authorization to Borrow)
[SEN. THE HON. C. ENILL]

Friday, July 07, 2006

lowered from 3.5 per cent to 2.5 per cent as of September 01, 2005, has been further reduced to zero per cent with effect from Wednesday, December 28, 2005. Commercial banks were required to place TT \$1 billion interest bearing deposit account at the Central Bank for a minimum period of one year, from December 2005 and a further TT \$.5 billion from June 2006.

The former measure is geared towards releasing deposits at the Central Bank over and above that which is to be held in the reserve requirement and it is intended that commercial banks would utilize these funds towards the purchase of Treasury Bills and Notes to absorb excess liquidity.

The request by the Central Bank to amend the limits of Government borrowing is therefore geared towards expanding open market operations on the financial markets. In this regard, Treasury Bills and Notes would be sold on the financial market so that liquidity could be withdrawn from the system. It is the view of the Central Bank that these measures, repo rate adjustments, the deposit at the bank, the reserve requirement and the open market operations would facilitate a contractionary monetary policy.

The Motions before the Parliament today are to support these efforts so that the Central Bank could carry out its responsibilities in accordance with its mandate.

Mr. Speaker, I beg to move.

Question proposed.

Mr. Winston Dookeran (*St. Augustine*): Mr. Speaker, in moving this Motion, the Minister in the Ministry of Finance made the connection between the details of the Motion and the inflationary trends in the country, but in so doing, he did not expose the fact that these very measures which his Government have been promoting and implementing, have been the source of inflationary problems in the country.

This Motion, therefore, going behind the headlines, is about inflation. It is about why prices are rising. It is about why our housewives and mothers are finding it difficult to be able to meet their budgets. It is also about the difficulties that we are having in terms of rising construction costs. It is about the reasons real estate prices continue to rise. It is about why all the petro dollars we are spending are being eroded by this phenomenon of rising prices. This is really what this Bill is about. Although the Minister in the Ministry of Finance did mention the pressures of an inflationary trend, he, perhaps, rather skilfully evaded the connection between the Motion and inflation.

There is no doubt that economic policy and, more specifically, fiscal and monetary policy, have been the source of the inflationary trends. It is very easy to sometimes blame the inflationary trends on other things, as the Government has done on so many occasions. The most recent, of course, was made in a public statement by the Minister himself in which, according to a newspaper report, when he spoke about the Government's plan to lower food prices he had this to say, and I quote:

“‘Right now we are looking at ways in which we can impact that in circumstances where you are in a free market and cannot control a lot of the supply side considerations.’

Enill acknowledged that price gouging was a standard practice among businesses along the East-West Corridor, where they sold goods for up to 25 per cent higher than their competitors.

He said the Government was compiling information on these businesses along the East-West Corridor to help consumers make more informed choices.”

Mr. Speaker, if there was a statement in which we were, in fact, evading the responsibility of public policy on inflation, it could not have been clearer than in what the Minister stated. He was going to gather information; for what purpose, I do not know. Is it that we are going to create some scapegoats among the merchants in the country in order to blame them for the inflation, which is implied by his previous statement that they were, in fact, increasing the prices of goods up to 25 per cent? It has been the practice of this Government to excuse itself on the issues of economic management and blame the consumers or the society at large.

The other argument that is often used for inflation is that it is the painful price we must pay for the economic growth we are experiencing. In this very comment of Minister Enill he also highlighted the fact that the country's economy had grown by an average of 7.7 per cent between 2000 and 2005.

Mr. Speaker: Could you give us the publishing house and the date?

Mr. W. Dookeran: July 06, 2006 *Trinidad Guardian*.

What we see and what I heard here today confirms in my view that the Minister is yet to understand how inflation is created in our country through public policy. Being the Minister in the Ministry of Finance, it is a sad commentary and a risk that the country is taking by having him being kept as the Minister in the Ministry of Finance. The first and fundamental issue in dealing with inflation is the very Motion that he is bringing before us, which is monetary

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

and fiscal policy. To try to find excuses by blaming consumers for exuberance in their purchasing habit or to blame the merchants for rising prices or to suggest that this is the pain we must undergo in the price of having economic growth and to also suggest that there should be price control as a way to handle this is a complete misunderstanding of where the source of the problem is. I am very amazed that the Minister did not make that link; but today we face 40 per cent increase in construction cost over the last two years. We face, as he admitted, 23 per cent increase in food prices and 7 per cent increase in headline inflation.

Two years ago, I had the opportunity to sit in a panel discussion on the issue of the risks facing the Trinidad and Tobago economy. We were trying to anticipate what was likely to be some of the risks we would have to mitigate in order to keep the economy on track. In that meeting, a number of economists and others were making their own analyses. That was two years ago and there was, at that time, a coverage of the report in which it was identified that the major risk the country would face was inflation. So the Minister had the benefit of the forecast from those outside the Government. In fact, the real problem in this country today is that knowledge does not reside inside Government, it resides outside it. [*Desk thumping*]

Be that as it may, a good Minister would solicit that knowledge whether it comes from inside or outside in order to discharge his responsibility for which he holds office. Identifying inflation as a risk was supported, not only by my own contribution at the time, but by a contribution of a senior economist at Republic Bank, Dr. Ronald Ramkissoon, in which he presented a paper. I wish to quote a small part of his contribution:

"Our experience shows that periods of rapid growth in the narrow money supply associated with significant price increases during the period 1973 to 1983. The money supply grew annually at an average of 19 per cent, while inflation rate averaged 15 per cent. However, over the period 1993 to 2000, money supply growth averaged 9.2 per cent annually and the rate of inflation averaged 5 per cent. This issue speaks to the important role of the Central Bank in controlling inflation via astute management of the domestic monetary conditions."

At that time, I had indicated as well that there was another way to handle the issue of inflation, on which I would make some comment later on.

So here is the Minister in the Ministry of Finance being put in a position where many have forecasted that the most important macro economic challenge

facing this country in this period of plenty was the expected inflation; in which pointers were being given with respect to how and where to tackle this problem, but he comes here today merely for this Parliament to give approval for increases in our debt ceiling with respect to Treasury Bills as well as Treasury Notes. This is really telling us that he has, therefore, not been able to have proper effectiveness in controlling inflation and the methods they have been using require higher limits to continue that. In other words, now we would have higher doses of the medicine that is not working. That is what he is telling us. [Interruption]

Mr. Valley: Would you give way? Mr. Speaker, the Member just referred to a paper by Dr. Ramkissoon in which he made the point that given what was happening worldwide and the fact that we faced the risk of inflation, he counselled that that pointed to the need for the Central Bank to control inflation. We have come here today with legislation to give the Central Bank increased authority to do that, to mop up extra liquidity, what then is the Member complaining about? Could he please explain?

Mr. W. Dookeran: I thought only the hon. Minister did not quite understand what was really happening. What I was trying to say was that the method being employed was not working. The prescription they are using, is not working and, therefore, there is need to look at another approach. If the Minister himself gets up and admits that it was not working, but we needed to have higher doses, by increasing the borrowing limits of the Government, he is just admitting that he is not looking at the effectiveness of the Central Bank measures to control inflation. [Desk thumping] That is the point I was trying to establish here today.

We must not blame the consumers and the merchants and we must not attribute this to the pains of a growing economy. We must look at the fiscal and monetary measures that are the source of the inflation, and I intend to say a lot more about that. In other words, it is the Government's economic policy that is causing the inflation in Trinidad and Tobago. [Desk thumping] That is the point I was trying to establish, and I will establish it, in this contribution before us.

To merely come and say that whatever we are doing has not been working, the economy is expanding and, therefore, we need higher limits with respect to our Treasury Bills and our other bills before us, is really not to tackle the problem head on. The paper I referred to was pointing the direction that we must look at.

One is the link between money supply and inflation, but two, and, perhaps, the most important one the Minister alluded to was when he said that what has been

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

happening in the country was a growing gap in what he himself referred to as the "non-energy fiscal deficit". I just want to quote the last monetary policy report of the Central Bank in which it stated:

"Growth in the non-energy sector was stimulated by strong increase in government expenditure and by buoyant consumption spending. During the year, there were clear signs that burgeoning domestic demand was leading to capacity constraints in some sectors and contributing to inflationary pressures. Rising consumer prices are being accompanied by rapid increase in real estate values."

What does this report say? Government expenditure is at the source of the problem. How is it managing that expenditure and how does it work? Increases in Government expenditure generates the liquidity problem that he is talking about. Everyone knows that Government expenditure has been increasing at a phenomenal rate and it is not generating incomes; that is the issue.

If its expenditure was to generate income, then there would not be that excess liquidity. The excess liquidity is the result of the fact that there is so much money flowing, but there are no opportunities for the use of those funds and, therefore, it stays in the banking system. When it stays in the banking system, it has to be mopped up by the Central Bank and the Central Bank has to issue these Treasury Notes and Treasury Bills in order to mop up this liquidity. It does so at a cost, because who in the long run pays for that? It goes back on to the Government's consolidated account; they would have to meet the cost of interest on this increase in open market operations. By his own figures today, it is adding an additional burden on Government expenditure in terms of meeting the interest payments on those large open market operations and, therefore, it is trying to deal with this issue of Government expenditure and its impact on the non-oil fiscal deficit.

I remember on the last occasion this technical word came up here. This time the Minister said it; the last time I said it I was told by Members on the other side, "What do you expect, if you have an energy economy and you expect it to provide all the revenues, the non-energy sector does not provide the revenues, so we must have a fiscal deficit." But what is worrisome is that the fiscal deficit is growing at a threshold point beyond what is acceptable. In years gone by we were allowed to accept a threshold point of about 4 per cent; it has risen to about 9 per cent. It has gone up to 13 per cent. Although I do not have the exact figures to quote from, I am told from reliable sources that it is somewhere in the vicinity of 20 per cent. So behind the headlines are the beginnings of those kinds of trends that are generating the kind of inflationary pressures we are talking about.

Standards and Poor's, one of the agencies that look at the credit rating of the country made reference to some of the further risks. I raise it once more for the Minister. They talk about off budget spending beyond the increases approved here. It is a report that was recently done, August 2005; a report of Standards and Poor's on Trinidad and Tobago, the basis on which the good credit rating has been established, but at the same time they identified the risk of off budget spending. This is what it says:

"The general Government balances do not fully reflect fiscal operations because of the deficits run by Government owned entities that are recipients of Government subsidies. Moreover, the Government guarantees a significant portion of Government-own enterprise debt and has demonstrated the willingness to honour non-guarantee debt."

And it goes on to outline the figures to support that. So not only do we face the situation of what has been approved in the Consolidated Fund, which itself is not dealing with macro management, but we are facing these off budget spending; and there are some other considerations. All this is linked to the management of economic policy and to the question that there is this increased liquidity in the system which has to be mopped by open market operations which are costly and increasing and not dealing with the problems of inflation.

When the Minister said that he would bring down food prices to 10 per cent from 23 per cent and he said that if you bring down food prices to 10 per cent you would be able to bring down headline inflation rate. I read that statement and wondered: What is he proposing? Is this a matter of arithmetic or a matter of real change in economic policy?

From an arithmetical point of view, he is right, but he does not say what measures he was going to take to lower it. In fact, what he brings to us is the requirement to have measures to sustain it and, perhaps, increase it further. So we face the problem of off budget spending, but it goes beyond that. What you are facing now is another phenomenon of increasing credit in the banking sector, which is not linked to production in the non-energy sector and that is the point I am trying to establish; that there is no plan to encourage production in the non-energy sector, but there is a lot of liquidity in the sector which must lead to inflation. It has to. Therefore, it is only "ol' talk" to suggest that he should bring it down. To bring it down he has to change his economic focus to be able to increase production at all levels; production in food and in other areas.

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

The most classic case of that was the way in which the Government has dealt with Caroni (1974) Limited; for that was a marvelous opportunity to introduce a serious food production plan and to be able to create the kind of increase in production in food. Four years later, we are still waiting for some leases to be given out and those leases are going to be dealt with in the context of two acres of land, which is not a viable production unit. There is no production plan. There is a real estate plan in Caroni Limited. [*Desk thumping*] The Government's failure to handle that problem has now resulted itself in this higher inflation and they are blaming everybody else but themselves and their economic policy. That is where I am hoping that the Minister would have taken note.

There is now the emergence of private sector credit, another phenomenon. In spite of the fact that the Government has brought out over \$1 billion from the commercial banks to place it in the Central Bank as a means to contain this liquidity, we find that private sector credit is also increasing. The very Standards and Poor's report refers to the fact that:

"Notwithstanding the fact that the non-performing loans in our banking system are showing signs of soundness, which is about 3 per cent of total loans..."

It went on to make a statement that had me very concerned and I raise it here:

"Standards and Poor's estimate that the Trinidad and Tobago banking system would have gross non-performing loans of 25 to 40 per cent in the deep recession scenario."

This is a reputable body that comments on the economy. They are now foreseeing that this economic management being pursued here and being glossed over because there are so much funds flowing in the country, it is masking the underlying problems we are facing. They themselves are saying that is an exposure to the banking system that one must look at. They went further to talk about this exposure:

"Significant non-performing loans in credit unions caused some concern, however."

So the advice is there. What is the Government's response to dealing with these impending risks which we are about to face in the economy? And they are talking about the current situation.

The Central Bank Report also goes on to suggest that private sector credit has been increasing. The expansion of private sector credit has moved from 13.1 per

cent in December 2004, to 21 per cent in December 2005. This is the very report of the Central Bank, and I want to quote this, because I think it is the crux of this debate here today:

"A major factor underpinning the rising inflationary pressures has been the increase in government spending and its impact on non-energy fiscal deficit...With government spending increasing from the equivalent of 24.9 per cent of GDP in 2003/2004, to 27 per cent of GDP in 2004/2005, the non-energy fiscal deficit rose from 7.7 per cent to 9.7 per cent...The evolution of the central government finances in the first six months of fiscal year 2005/2006 suggests that the non-energy fiscal deficit has continued to increase sharply. The monetization of energy receipts to finance the growing deficit is a major source of liquidity injection and of inflationary pressures."

It could not have been clearer than that. What it is saying in other words is that the major source of the problem on the issue of inflation is traced to Government fiscal policy.

That is why we cannot in this Parliament simply say that inflation is a phenomenon outside our control. It is a phenomenon that could have been controlled. It is playing havoc with the lives of our people in so many different ways. In the very report to which I referred it made mention of people who cannot make ends meet, where rising prices on a daily basis is taking place and, therefore, people are suffering from a purely economic point of view. There are other reasons why they are also suffering. It is large fiscal injections that do not generate production.

We know that the Government simply sits back and relies on the external economy; it relies on the external economy for their taxes, for the balance of payments, to provide the necessary expenditure to promote domestic development. But they have not been able to bring about the link in their strategy for economic change. This has led to this excess liquidity. The inability of the Government to handle the liquidity crisis is the most major failure of the Government's economic policy programme.

I want to stress that fact and the measures they are taking today. What are the measures? They are requesting the Central Bank to draw out \$1 billion from the commercial banks. The effect of this is to work against the very policy that the Minister spoke about; the policy of reducing the reserve requirement. He outlined phases I to III, et cetera, of dealing with that issue. But what is the effect of that?

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

The effect is to increase the secondary reserves ratio and by so doing to increase the cost of doing financial transactions; therefore, that ends up back into higher prices somewhere down the road.

We too often seem to think that economic policy and fiscal and monetary policies are not the cause and, in any event, they are outside our control. I know that the Government looks for excuses all the time and they say that things are outside their control. They say, virtually, that the question of gas pricing is somewhat outside their control. They relegate that particular responsibility to the multinationals. They say that the whole question of having increased ownership in the energy sector is outside the control or, perhaps, too complex and they do not act on the proposals we have made so often to ensure that kind of ownership comes to the people of the country and that we have those shares listed on our stock market.

They have been talking about things outside their control and every time they have to account to this Parliament they identify things outside their control. As the Minister himself said today, open market operations are outside his control in terms of the level; he has to increase it to meet it. The real question is not whether or not you have a high level of open market operation, but whether it is having the effect of reducing the liquidity and containing inflation. [*Desk thumping*] That is what they have to measure themselves against. It is not in the context of the instrument, it is in the context of how effective the instrument is.

Liquidity is also being reduced by foreign exchange sales which is another problem. Foreign exchange sales have been increasing fundamentally here and the Central Bank report talks about foreign exchange sales as a means of controlling liquidity. This too is a very risky affair. To use Central Bank sale of foreign exchange to control inflation and rely on it has always been so, but one cannot rely on it, because you are now exposing the very issue of foreign reserves to the whole issue of Central Bank sales, because every time you do that, you draw down on the foreign reserves on the country.

They seem to rely very comfortably, and the Minister said it here today, that he is also using that instrument. These are not proactive instruments. These are reactive instruments of a failed economic policy. [*Desk thumping*] This is the point I am trying to establish here today. As we go on we see that on almost every count the economic policy has been relying on very difficult premises.

The Minister talked about rising prices and the repo rate that has been increasing. In fact, the figures are there. It has been increasing substantially over the last two years. It took us a long time to bring interest rates from 17 and 16 per

cent when I was Governor of the Central Bank, to levels that would induce economic growth, but we are beginning to see the rise again, as we try to encourage tight monetary policy. What does the Central Bank Report say about it? Do not take my word:

"Rising interest rates have also contributed to the sluggish performance of the local stock market. After an average increase of 26.5 per cent over the period 2002 and 2003 and a jump of 54.8 per cent in 2004 the composite stock market index has fallen by 10.8 per cent since December 2004.

In 2006, the stock market continued to decline with the composite index falling by 10.2 per cent during the first quarter."

So the effect of these policies is what we must measure, the performance of these policies. Is it generating economic activity in the private sector? Is it bringing down inflation rates? Is it increasing production in your non-energy sector? Those are the benchmarks that must be used, Mr. Minister in the Ministry of Finance.

Of course, it is the Prime Minister who is ultimately responsible and he cannot doze off and believe that he has relegated this to his two Ministers and he could forget what is happening in the country. [*Desk thumping*] He has to take responsibility for the economic management of this country. [*Desk thumping*] He cannot just sit back and say, "These are technical matters and I have two Ministers on both sides of me who are handling that," and they themselves seem not to understand how to handle it.

They measure performance, not on the basis of the effectiveness of the policy, but on the effectiveness of having to give more medicine to an ailing economic programme. [*Desk thumping*] Wherever we go we see the problem. We see the exposure and we see the need for us to have proper economic management. By and large, our people do not make the link between higher prices and economic policy. They do not make the link between open market operations and higher policy.

On the positive side, the debt issue is well within control, both the internal and the external debt, so this is a glorious opportunity to divert your funds to do productive things; not to use the excuses that the Minister uses so often that he is, in fact, using this excess revenue to spend on socially displaced. Even there we should have questions. Is the social displaced benefiting from this expenditure? Are the poor in this country benefiting from the \$3 billion of expenditure per year on the poor? Many who have studied this situation have said that the only

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

beneficiaries of the poverty expenditure in these programmes are the administrators of the poverty programme and the politicians in office, by virtue of creating a client state. [*Desk thumping*] That is how we must measure it.

So when he tries to hoodwink the population and say, "Well, these guys are blaming me for spending a lot of money and I am spending it for the socially displaced." Even there you are not getting the benefits. For some time now we have been talking about the issue of the value of our public expenditure. What comes out as what they intend to do never results in what actually happens. [*Desk thumping*] So even the poor is not benefiting in real terms. There is a study that has been done on the poverty map of Trinidad and Tobago and they see it growing from 20 to 30 per cent, by whatever yardstick they use. So where is all this expenditure on the socially displaced? The expenditure is to retain the Government in office, not to improve the social conditions. [*Desk thumping*] That is a fundamental premise, Mr. Prime Minister.

The hon. Prime Minister ought to understand that and ought to take steps immediately, so that the moral authority of this Government would lie, not on the basis of his announcements and plans of expenditure anymore. The population is far too intelligent to accept that; they want to see results and they want to see results now. [*Desk thumping*] It is a great opportunity that is gradually eroding, notwithstanding that we have all this money being spent around. This is the time to do it. I know of the time when we had little money and we did a lot with it. Now we have a lot of money and we are doing little with it. [*Desk thumping*]

Mr. Speaker, there are many other issues. The Member for Arouca South said something that I want to ask her about today: For heaven's sake, help the residents in Oropune Village; regularize them and give them the compensation they have been asking for, for the last 15 years. We have a lot of money and you have done a lot of studies and yet today we cannot have that simple problem dealing with the poor people resolved. I have exhausted all the avenues of representation on that issue by talking to every particular agency in the country that has any bearing on that problem. If we are serious about economic management and dealing with the problems of poverty, we should deal with the problem of poverty by solving the problems of the people in Oropune Village, my own constituency and many other constituencies, who remain waiting, waiting and waiting to get their compensation. Some of them have died and their families suffer.

When you meet the residents, you must feel a sense of empathy that in this rich country when we are talking about raising our limits from \$500 million to

\$1,500 million and every time we come into this Parliament we talk about these numbers that are now in the millions and billions, and we cannot deal in settling the problems of our ordinary people who are looking for \$80,000, \$100,000 and \$150,000.

4.00 p.m.

Where are the priorities? The hon. Prime Minister must account to the people on the priorities of expenditure in this country. Where is he going to spend this money? Is he going to fritter it away to try to correct bad fiscal and monetary policy?

Mr. Singh: Blimp upon blimp.

Mr. W. Dookeran: Mr. Speaker, those are the issues that are important and relevant. Even in our legislative agenda we spent a whole two hours here this afternoon talking about whether we should use the word “new” or not. I do not know if people realize, but the whole country has now recognized that the word “new” is something they must adopt as they adopted new politics for the future. [*Desk thumping*] But be that as it may, the politics of priorities are wrong. Where is the politics of priority? We need to establish that first and foremost so that we would have the right priority on this particular issue.

On legislation, when we had the Police Reform Bills discussion which we conducted for a number of months, and went through in a very painstaking way to try to put together with the Government a legislative programme on police reform, and tackle some of the hard issues and were able to come to terms with some, we were told then that the next priority which shall take place within one week was the introduction of the Equal Opportunity Bill in this Parliament and yet we have seen it and it has not seen the light of day. Rather, we come with this Bill about amending the word “new” to “old” or “old” to “new” which I do not understand.

I now call on the Prime Minister of this country to honour his obligation to us to bring the Equal Opportunity Bill before this Parliament immediately so that we can deal with some of the issues of concern rather than give us this assurance six months ago. More than six months ago he gave us this assurance and we cannot see the light of day on that very fundamental issue and we still have people having to go to the Privy Council to get the very basic rights affirmed in our land. What kind of land are we dealing with? [*Desk thumping*]

Mr. Singh: Thank God for the Privy Council.

Mr. Manning: I wonder, Mr. Speaker, if the hon. Member for St. Augustine has discussed this matter of the legislation with the hon. Leader of the Opposition.

Mr. S. Panday: “Doh set no strife.”

Mr. Manning: I suggest that he does that.

Hon. Member: Divide and rule!

Mr. Singh: Equal opportunity, equal opportunity!

Mr. W. Dookeran: Mr. Speaker, the responsibility is to bring it to Parliament. This is the issue. I will put the priority on that basis, but we have had too much of this where ordinary governmental policy is now predicated on values that the society is getting worried about. The mere fact of having to go to the Privy Council in order to get their rights acted upon with respect to an application for a licence.

Imagine that we have to go to the Privy Council to get our rights confirmed on the application for a radio licence in this country in 2006, and the Government takes to that Privy Council information that turns out to be totally misleading? [*Desk thumping*] Who shall trust the Government when it takes part in these little acts that come out eventually? It takes a lot of guts, courage and determination on the part of those affected to stand up and fight it with the law. They can do nothing else now, they can only fight in the law now, but the real fight will have to take place in the politics of the country. [*Desk thumping*]

Mr. Speaker, I have tried to argue the case that the Minister must be held responsible for good economic and fiscal management. He must come with the way to handle the problem, and I suggest four basic things that he can consider for the benefit of our country.

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

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

Question put and agreed to.

Mr. W. Dookeran: Thank you, Mr. Speaker, and I thank Members of the House. What do we do about this situation, Mr. Speaker? How can we deal with it within the framework of the current Government's lack of knowledge in handling it? What can we do?

Mr. Speaker, we have got to look firstly at the fact that what we are creating is not a productive economy but a dependent one. The size of the dependent economy is growing faster than the size of the productive economy. We have to find another way to deal with those who are recipients of the expenditure in the dependent economy, another way that would link the expenditure to improvement, perhaps, in infrastructure.

Today we are facing all the problems in road infrastructure and every day we are losing millions and millions of hours in time and money in trying to navigate our way through the chaotic state of our transportation system. And after four years the Government says it cannot find the engineering expertise to handle the designs for the interchange and it is now seeing—and I think the Member for Diego Martin East said the other day that he was signing some agreement for a monorail that he is planning.

In other words, four years with all this money spending in this country they are telling us that we have to wait another 10 years while they talk about 2020. I could not believe that we could not have a real solution to that problem. The size of the dependent economy is growing, so I ask the Minister of Finance and the Prime Minister to tell me what has been the growth of the dependent economy and how can we transform that into making it a genuinely productive one? [*Desk thumping*] That is the first challenge that he is facing, because underlying that will solve the problems of inflation, higher prices, shortages and so forth because if you engage the productive forces, or to engage the human resources into productive activity, you will create less shortages in the country and you will be able to create less rise in prices. So that is the source of the problem.

I want to go behind the headlines, behind the announcement effect. I want to go and look at the risk ahead of us and suggest how we handle it, but the evidence is there that there is a rise in the dependent economy, and what is most humorous about it is that the Government boasts about increasing the dependent economy as if that is something to boast about. We have to deal with the problems, and we have to find another way to handle the problems of those who benefit from it in a manner in which it can happen, and in today's world, there are other ways to do it.

Yesterday I attended a seminar at the university; the title was "A right to development". Reclaiming development was what the academics were talking about. We have lost sight of development in this country, let us reclaim it. This is what they are saying.

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

Mr. Speaker, and there are proposals which I can pass on to you. This is not me talking, this is a group; this is not what only I am saying. That is the first issue in strategizing for the future so that we do not end up with all these shortages, higher prices, and congestion on the roads and so forth. We must walk from there.

The second thing is we must get serious about transferring the flows to the national economy from the offshore economy. We must get serious about it and I had made a proposal and others have supported it, that we start looking at the ownership of the offshore industry in a serious way so that we can transfer some of the benefits and ownership to the local population and we can do so in two ways. We can do so by ensuring that we list those shares on the local stock market if that is the way to do it, or we can do so by creating mutual funds of that nature so that we can have investments, and those are the kinds of proposals we shall put into place, but the important thing is we shall see the results of it.

Then, we need to develop a serious plan for food production. I referred to it earlier that we are without that plan and the hon. Minister of Agriculture, Land and Marine Resources said it is because there is rising GDP that percentage has fallen, but the percentage is not based on values, it is based on the question of actual production. The figures have shown us that food production is in fact in a decline somewhere in the vicinity of 17 per cent according to the annual report. So when he said that at some time I simply said that perhaps one day he would be able to see the real measurement, the benchmark against which he shall measure his own performance. I must admit he has been very cooperative in dealing with a lot of my constituents' problems. I must say that today. But in terms of the macro management of the agricultural sector, I do not know where he stands, or if he stands anywhere at all.

Mr. Speaker, so local food production plan has great opportunities there and these are the problems we will solve. Are we going to sit back and say because we have this excessive money, we do not need these fundamental things? When it comes to the issue of inflation and monetary policy, there is a very active debate that is taking place on a new regime for inflation targeting that does not have to rely on this open market operation as the only tool, it will always be a tool. Or we do not have to rely on the repo rate as the only tool. It is referred to as the new process of inflation targeting.

Jamaica had a major problem in inflation, the inflation rate was over 35 per cent in 1995 and they were undergoing major financial crisis. The government's prime macroeconomic objective has been the control of inflation and the maintenance of single digit inflation. Ten years later in that major problem, inflation had

dropped to single digits. They adopted, not the traditional, orthodox, monetary policy approach but what is described as an inflation targeting approach which is based on a number of different measures: strong fiscal position and entrenched macroeconomic stability, and Central Bank's instrument independence. It is time that we deal with that issue because it is not only an issue of control, but one of management, that the major responsibility for dealing with inflation and the authority for so doing would have to reside in the monetary authorities and there must be a regime to support that. This is what Jamaica did. It held the Central Bank accountable in a very direct way.

Right now, the Central Bank simply accommodates fiscal policy and when there was not this exuberance of expenditure it was easy to do it, but now there is this exuberance, there are stresses and strains in the Central Bank. I have no doubt that the current Governor of the Central Bank is worrying every night about how he shall control the excesses of Government's expenditure on monetary policy. So we need to deal with that issue.

When we talk about this new regime, we can look right in Jamaica that has adopted this approach and has looked at inflation targeting and a number of other measures which, of course, is not the forum to discuss today, but to point out there is time to review that approach. There is time for us not to rely on the old approach which has not produced the results and in fact has been able to create the problems.

In fact, somebody once told me that this Government does not solve problems, it only creates problems for the next government and in that sense, this is the time to get to the root of solving some of these problems, and it is easy. It is easy in our society today with the money flowing around, with everyone feeling that sense of illusion of prosperity that you can get away in the populist mind as regards the confidence in the future, and you can trade on that for narrow, political benefits, but you will not be able to win the confidence of the commentators who are looking at this seriously, or indeed win the hearts of the next generation so to speak, and it is very easy that we can do that. We can, in fact, look at the situation and exploit for political benefit the exuberance in expenditure, and the feeling that we are rich and getting richer because the evidence is there.

Rather, we should use that opportunity and, Mr. Prime Minister, you have the responsibility not only to ensure that there is proper fiscal austerity in this country, but you have a responsibility to ensure that given the wealth we have today we will never again suffer from any problem of the lack of use, or improper use of this wealth.

Mr. Manning: Mr. Speaker, I would like to assure the Member for St. Augustine that we are doing just that, and in fact, he just has to see what will happen in the next budget and it will become a little clearer to him.

Mr. S. Panday: Goodies!

Mr. W. Dookeran: I have no doubt that it must be his intention, but I have absolutely no doubt that this is not the result of what he is doing. All politicians, or most, come with good intentions to try to improve the society, but many of them do not access the necessary knowledge to make it happen. [*Laughter*] I am asking the Prime Minister to seek this knowledge to make it happen.

There is more knowledge today outside the Government than there is inside. Empower the knowledged people to come to the solutions. Do not let the seminars at the university take place in isolation where the people feel helpless. They come up with ideas and we can talk about them. The 2020 exercise was well-intentioned, but it has failed because it is not providing that vision for the future because it is based on the premise of yesterday. Many of the solutions that have come out in the document have been solutions that had been on the table. So I have no doubt in saying that the intentions are there, but I have absolutely no doubt in also saying that it has not happened and I measure it by its effect. I measure it by its impact on inflation, by its impact on the quality of life—which is another issue that I have not spoken about; I measure it on the level of competitiveness of the economy; I measure it on measures with respect to management of shortages and how you measure it. That is the short-term measurement.

Mr. Manning: Mr. Speaker, I just want to ask the hon. Member for St. Augustine what is the inflation rate in Trinidad and Tobago at this time?

Mr. S. Panday: Ask the ones on your right and left.

Hon. Member: He has no confidence in them.

Mr. W. Dookeran: Mr. Speaker, I think the question really is: Where is the responsibility for managing the inflation rate in the country, is it in public policy, or is it not? That is the issue. The inflation rate now is calculated at 7 per cent, and food prices, as he knows, and as was said, are 20-something per cent, and construction prices were 40 per cent higher.

The Prime Minister has asked me the wrong question. He has asked: what is the inflation rate? He should be asking if the Government's policy is working to keep inflation down. [*Desk thumping*] That is the question he should really be

asking me and that is the question I have been trying to address here this evening so we do not get away—

[*Hon. Valley stands*]

Just one minute so I can complete this point, my colleague. So we do not get away with the feeling that what we are dealing with here is a technical matter outside the scope of the public information. It is so technical that they do not understand the link between the measures of this Parliament and the ordinary life that is affecting them. All I am saying is that this Parliament must be used to expose the inefficiencies of public policy, expose these things so that we can in fact have an electorate that understands the issues and not be fooled by the goodies of yesterday. That is what I am saying. It is not a simple matter of satisfying the momentary desires of the people as much as it is a matter of ensuring that there is a sense of confidence about the solutions that you are making. How many people today have that sense of confidence of the future of our land? That is the question we must ask you.

Mr. Valley: Mr. Speaker, I simply want to ask the Member whether it is true that during his period in government 1987 to 1990, that the inflation rate per year, and I will give it to you, Mr. Speaker, was: 1987, 10.8 per cent; 1988, 7.8 per cent; 1989, 11.4 per cent; 1990, 11 per cent as against inflation rates of 2002, 4.2 per cent; 2003, 3.8 per cent; 2004, 3.7 per cent; 2005, 6.8 per cent at present, it is somewhere around 7 per cent. I just want to ask the hon. Member, all the knowledge that he has about controlling liquidity how come he did not demonstrate that ability in the period 1987 to 1991? [*Desk thumping*]

Mr. Speaker: Order!

Mr. W. Dookeran: I guess you could not resist the personal attack about my performance then, but I will leave it there. [*Laughter*] In fact, it was a different period. What we are facing now is a new situation in which, what I am talking about, the impact it is having on the people today is different.

In this time of plenty what is happening to those who wish to buy land, who wish to have residential homes, notwithstanding the programmes for housing? What is happening to those, when they go to the supermarket and market when prices are rising? What is the confidence level of the people about their financial security?

Mr. S. Panday: That is the question he should ask.

Mr. W. Dookeran: I will tell you during the period—[*Crosstalk*]

Mr. Valley: I just wanted to answer. He has given way, Mr. Speaker. Again, with respect to that period the Member can answer. We would remember that the policies followed by his government ended this country in a coup and the loss of every seat in Trinidad in 1991. That is the reality. I do not know what he is talking about.

Mr. Singh: That is when you teamed up with Abu Bakr for the coup?

Hon. Member: Where was Manning?

Mr. W. Dookeran: Do not take us down that road of the 1990 coup. Mr. Speaker, there is a lot still to be said on that issue. [*Crosstalk*] To blame the situation of the 1990 coup on what he calls economics is to misunderstand really what has happened. I was here, I sat right there that very evening on which we had this vicious assault on our Parliament. [*Interruption*]

Mr. Speaker: Order!

Mr. W. Dookeran: It had nothing to do with economic policy. It was also because people were being fed the wrong information in that respect. The 1990 coup is one in which I still hold the position that the truth must come forward and I asked the Prime Minister and he said he will not do it. I asked again to let us do a proper enquiry, however he wants to do it to get the facts out on that issue so there will be no kind of assertions that are being made every time that there is some other reason for it.

I say it again, it is recurring all the time, and right now in the courts it is recurring once more. So it is a good time, Mr. Prime Minister, that we settle that score and do not leave a lot of misinformation and innuendoes to take place. It will clear many people's names. Let us do it, Mr. Speaker, and have that enquiry and the comment of the Member for Diego Martin Central can be a part of that to establish how the economic policies brought it about. We can have a long debate on that, Mr. Speaker. [*Crosstalk*] I did not realize that was what you were talking about when you said my previous period.

Mr. Speaker, in conclusion, I merely want to make two points. I am not in any way denying the fact that the macroeconomic indices are very good in this country. [*Desk thumping*]

Mr. Singh: That is not of your doing. You had nothing to do with that.

Mr. W. Dookeran: I am not denying that, but I have made a point that I had made before that macroeconomic indices are not an indicator anywhere in the world of macroeconomic confidence. [*Desk thumping*] There are many cases in

the world in which there is now a new set of measurement of macroeconomic fundamentals and indices and confidence, and that involves beyond the textbooks, beyond the measurement of the balance of payments and surpluses, that involves how the country is being managed, and it involves in terms of what are the social tensions in the country, it also involves how the issue of equality is dealt with and access to rights. That involves those issues.

So we must now devise a new index for macroeconomic confidence, so when the Minister gets up and reads off all those figures, he is right. I am not querying that. He is right, but he is not right for the proper reason because what he has to measure is macroeconomic confidence and it is in that context that we must look at these measures today. In that context of trying to create that sense of confidence so we end with that.

Secondly, the very issue of trying to deal with the people's problems because this Parliament will be judged only if it deals with the people's problems and we cannot be relegating that responsibility by blaming the people. We must do our own work first and must be able to establish how we shall deal with the people's problems through economic policy. Wherever they are today, what is going to emerge as the next risk that this Government will be facing is going to be demands from the labour sector for increased wages in order to combat the problems of inflation which has been the result of bad economic policy which will then fuel further inflation. I say that here today. Watch it in the next few months or so. I am sure this is how the economy works. That people try to regain their position and they would start and I think we are already seeing it. There is a lot of evidence now where the labour sector is getting uneasy because they have to regain what has been lost because of bad effects of economic policy. So we must look forward to that particular risk.

I talked some time ago about the inflation risk and I end this parliamentary contribution by talking about that new risk; that we must give to the labour movement what is theirs and we must ensure that there is fundamental equity. When there is equity, the society, everybody sits back and says let us move forward, but when they feel there is no equity they always fight for a better share of that cake and that is the fundamental issue we are facing today in this country after all this expenditure.

There is a feeling among the people that there is no equity; whether we are dealing with local government, whether we are dealing with rights to give licence, whatever we are dealing with, there is that feeling that there is no equity and, therefore, underlying all the social tensions that is where the problem is. It is not

Treasury Bills (Authorization to Borrow)
[MR. DOOKERAN]

Friday, July 07, 2006

fiscal and monetary policy; it is belief in the leadership of the country that is the key issue in the country today.

Thank you very much.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley): Thank you very much, Mr. Speaker. Mr. Speaker, the more we hear of the Member for St. Augustine, the more we are disillusioned.

Mr. Speaker, I just referred to the contribution of his government's inflation in the period when he was a senior Minister in the government responsible for planning and development and I want to repeat the inflation rates in a period where liquidity was not there as some would say: 1987, 10.8 per cent; 1988, 7.8 per cent.

Mr. Singh: What was it in 1985 and 1986?

Hon. K. Valley: In 1989, 11.4 per cent; 1990, 11 per cent as compared to—
[*Interruption*] This is the person who has all the answers. [*Crosstalk*] You have all the answers, you are pontificating, you know everything.

[*Mr. Dookeran rises*]

No, no, not now. I have one minute, you will get all the time you want when we come back. Stay after the tea break, and you will get all the time you want.

Mr. Speaker: This is an appropriate time to take the tea break. [*Laughter*] Before we do that, hon. Members, I wish to remind you that 5.00 p.m. is 5.00 p.m. and I have noticed a trend within the last two years, Members are not coming back on the resumption of the House. I am appealing to all Members to be here at 5.00 p.m.

The sitting is suspended and we shall resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Hon. K. Valley: Mr. Speaker, before the break I was making the point that the Member for St. Augustine has extremely little credibility on this issue of inflation, because it is not as though he was not tried and tested, he, being a senior member of the Government in the period 1986 to 1991 when he did not indicate any ability to deal with the issue of inflation as demonstrated by the levels, especially given

his position in that government as Minister of Planning and Development. And when we compare the rates of inflation in that period vis-à-vis our period, you can see we have been doing quite well, thank you, if I may say so myself.

For example, in their first year, the rate was 10.8 per cent; in our first year, 2002, the rate was 4.2 per cent. In their second year the rate of inflation was 7.8 per cent; in our second year, the rate of inflation was 3.8 per cent. In their third year, the rate of inflation was 11.4 per cent; in our third year, the rate of inflation was 3.7 per cent. In 1990, their fourth year, the rate of inflation was 11 per cent; in our fourth year the rate was 6.8 per cent.

[Mr. Dookeran enters Chamber]

He is back, thank God. Understand the point I am making. I am saying that here we have an individual who is pontificating on what ought to be done to deal with inflation and when he had an opportunity to deal with it, the records show that he failed. That is the point I am making.

Hon. Member: The PNM destroyed the economy—

Hon. K. Valley: I am talking about inflation. I am not talking about deficit or anything; I am talking about inflation. We were treated during the Member's contribution to some other gems. For example, the Member told us that in controlling inflation we cannot depend on only one measure, open market operations or repo rates. I do not know if he knows or does not know, those are two separate measures, but there are other measures that the Government uses. So you cannot be talking about one measure and dealing with two. You are not consistent. For example, when he tells us the Central Bank simply accommodates fiscal policy and in the next breath he tells us, "I am sure that the Governor of the Central Bank has sleepless nights worrying how to control inflation," he cannot be simply accommodating fiscal policy on the one hand and worrying about how to control the thing. It is either he is doing that or this. Or for example, when he asked us: "When you come here to borrow \$15 million, or whatever it is, where is the money going," as though we are spending it on goods and services, when we said quite clearly it is to be used by the Central Bank in their open market operations. That is where it is going. It is being used to control liquidity. You know that.

Mr. Dookeran: I just want to clarify one point. The accommodative monetary policy and sleepless nights are not contradictory.

Hon. K. Valley: Fiscal policy, not monetary policy.

Mr. Dookeran: Monetary policy accommodates fiscal policy. What I am saying is that fiscal policy is creating the problems for monetary policy and as Governor of the bank he would have a hard time trying to accommodate fiscal policy. That is all I am saying.

Hon. K. Valley: What you said was the Governor of the Central Bank simply sits back and accommodates fiscal policy, in other words, implying that he allows liquidity to run amok. *[Interruption]* Yes. At the same time if he is doing that, then he would not be using monetary policies to suck it up. That is the point I am making. So you cannot be saying that he is accommodating fiscal policy and then he is worrying about how to control it. He is doing one or the other. He is either accommodating fiscal policy or he is knocking the Government every day and saying: “Get your act together”, and fighting to control monetary policy. That is the point I am making.

Then after all is said and done, he tells us that we need to fix the infrastructure. I do not know how we are going to fix the infrastructure without spending funds. As long as we spend that money, some part of it gets into the economy and it contributes to the non-energy deficit. So that we have to do things because life is balanced and the Government is faced with the equation, as it were, with that quest to increase the standard of living and the quality of life for our people in the shortest possible time. We have an economy that was in recession for some 11 years—1983 until the third quarter of 1993; 10-plus years. Therefore, given our current situation, the Government has taken a conscious decision to attempt to build infrastructure quickly. That infrastructure relates not only to the physical, but also the human. In our quest to move to 2020, we say quite clearly that we would be using surplus revenues from the energy sector to develop the non-energy sector and if we are doing that, we know that we have to fight the balance of inflation. If we are trying to do things in the economy, some prices would rise and one has to make a decision as to how much slack you have on inflation.

When I quoted the inflation figures of your period, you would see that relatively we are still okay, because the Member knows that inflation does not tell the whole story. In 1991, for example, the inflation rate was 3.8 per cent, but what that indicated was an economy that was not moving, nothing was happening. It was after the coup and the economy was dead. That is the reality. As long as your economy is vibrant and moving, there must be some level of inflation. The issue is one of balance.

Mr. Ramsaran: You are only contradicting yourself.

Mr. Manning: Please, listen to him “nuh”. Listen to wisdom “nuh man”.

Dr. Moonilal: I want to rebut some of his nonsense. You blame the NAR for high inflation.

Hon. K. Valley: In 1987 to 1990. Look at it. I quoted the figures. It was 11 per cent in 1990; it dropped to 3.8 per cent the next year.

Mr. Manning: And that was not prudent management.

Hon. K. Valley: Do you understand that? Nothing was happening. There was no life in the economy. As long as you were here you knew that.

What is the reality with respect to inflation in Trinidad and Tobago? Food prices over the recent past have escalated and that is the reality. There is no magic to that. There is an open economy and the import bill for foodstuff is quite high. If a country is reliant on energy, given current energy prices, obviously their cost would have gone up and they would pass that on. So we get a gain via the high energy prices, but there is a cost with respect to the import of food because they have to pay that higher price. So as long as we are importing foodstuff, and so on, there would be that higher price. That is the reality.

With respect to local products, one knows last year there was a hurricane and then there was flooding in Guyana, which made for some shortages, and so on. What was the Government's response with respect to that? The Government established a committee chaired by the Minister of Legal and Consumer Affairs to look at ways to deal with that situation. What have we done so far? Members would know that in the last budget it was announced that we would be taking action on certain food items. We went to the Caricom Secretariat, got approval for the removal—the suspension—of duties. We have done that. We have said that we would be dealing with the port. We have done that. There was some special tax, a surcharge, as it were, at the port. We worked with the port. That has now been removed, as it were.

Up to this morning—let me make the point this way. We said also that we would widen our sources of supply of foodstuff and we started looking south. In that context this morning I had the Chilean Ambassador in my office, and the point he was making to me was that we buy foodstuff from Chile. The only problem is that we do not buy it from Chile; we buy it from America. So it goes to the US and then it comes here. We said we are going to cut out the middleman by working with Namdevco that would be targeting these countries, buying in bulk for distribution via the food chains—Hi-Lo, and so on.

Treasury Bills (Authorization to Borrow)
[HON. K. VALLEY]

Friday, July 07, 2006

Because if you listen to the supermarkets, what they are saying is that “We are held captive. There are food importers. We do not import. We buy from them and every Monday morning they are raising their prices.” So we would get into the act. We would be importing also, not distributing, but we would be using a state company to import and distribute via the existing channels. I understand my friend from St. Augustine was saying that the Caroni rationalization was not an agriculture plan; it is a real estate plan. I would inform the Member that, as a fact, one would see over the short term, the production on the 20,000 acres in Caroni. That is being done. The Ministry of Agriculture, Land and Marine Resources is working on that. But listen, there is the industry committee chaired by my colleague, Minister Enill. The Minister of Agriculture, Land and Marine Resources is on that, and via that committee we are working through these programmes.

Mr. Ramsaran: In 2020.

Hon. K. Valley: Not 2020. You would be around.

Mr. Manning: And you know your time is limited, eh?

Hon. K. Valley: So there is a short-term issue with respect to food prices and the Government is attacking it. We are increasing supply, increasing domestic supply via the Caroni lands and the Minister of Agriculture, Land and Marine Resources has already taken steps with respect to the rural development, the roads and so on, so that farmers can get to the hinterlands, and so on. We are improving supply by looking for alternative sources of supply, looking to Central and South America and using a state agency to join the group of importers to have a downward effect on prices.

We would continue also to look at where we can remove duties on some of the basic products. With respect to the construction sector where there is always some rise in prices, the approach is similar. We have already been to Caricom, seeking the suspension of duties on cement and steel. In the case of steel it is merely 5 per cent and there is no need for Caricom approval and we are removing that. We had an initial difficulty with the local company. That has now been sorted out and it is expected that we would be getting the suspension on cement.

Mr. Ramsaran: What is the duty on cement?

Hon. K. Valley: Fifteen per cent. We are looking at, again, increasing the supply in these areas, so that the Government is acting to have an effect on prices in those areas. I make the point, however, that, relatively, an inflation rate for this economy of 7 per cent overall, is “competitive”. The problem is the food prices

which have been escalating at between 23 and 24 per cent, and we are taking action in that regard.

The Member commented also on the strategy of the Central Bank, of controlling liquidity by foreign exchange sales. Our economy is quite unique, because the central government is a major earner of foreign exchange because of its tax on the energy sector. In other economies foreign exchange earnings is within the system. In our case, foreign exchange is released to the system via Government spending and Government has to make a decision as to how much of the foreign exchange it earns it ought to keep. Because if it were hoarded, as most central bankers like to do; if you hoard all, you would have a negative effect on the economy. One has to make a determination, what is needed for transactional purposes, that is, for debt service, and so on; what additional amount is needed as a precautionary measure, and you may even put a month or two above that and release the rest to the economy. That is where it belongs. Central bankers like to hoard all, not so? That is your custom. You have to change that paradigm, because in no other economy would that be happening.

So when we look at our foreign exchange at present, we have an ample amount for what we want to do. The rest, therefore, given our other objective of positioning Trinidad and Tobago as a financial centre, St. Lucia or St. Kitts can come to the market here to borrow in foreign currency. That is what we want to encourage. So we have a number of objectives; a number of pieces in the jigsaw that we have to put in at the same time. So first of all we have to satisfy our own requirement, and we have that. The excess we make it available to the market. So there is no magic with respect to that.

I left this point for last because of the fallacy. He said: "Government simply sits back and relies on the external economy." As he said that a dagger turned in my heart, because what is happening is not mere happenstance. Understand that. It is the policy of this Government. When we set up the energy subcommittee way back in 1992, when we were able to steal the first LNG plant from under the nose, as it were, of Venezuela, they are still talking about Cristobal Colon, when we are now talking about Train 5. That is not mere happenstance! We did not sit back! If we sit back now it is because we worked then. Do you understand what it is? This economy changed from an oil economy to an energy economy. Nobody was talking about natural gas. They were flaring it and doing all kinds of magic with it. It is the PNM who found use for the thing. [*Desk thumping*] Sit back? They were doing all types of magic with the thing! They were filtering it; Sunset Industry, and all types of things. Remember when you were writing that? Sit back, he says? That dagger! [*Crosstalk*]*—the fine mind.*

Treasury Bills (Authorization to Borrow)
[HON. K. VALLEY]

Friday, July 07, 2006

Mr. Speaker, let me tell you, it is leadership at work. That is what it is. You are talking about leadership? That was leadership! So Mr. Speaker, I do not think there is anything else I want to comment on. Ah, the last one. “Macroeconomic indicators are no longer indicators of macroeconomic confidence.” You should have found that out since 1990; that when you cut people’s salary; you take away the thing, and so on, you cannot balance government books on the backs of your employees. [*Desk thumping*] Do you understand? Since 1990 you should have known that if your books are looking nice and the people are really suffering, they would come for you. So do not come here and pontificate, because it is not as though you do not have a history.

So when I sit here and you start pontificating, I start to boil; I say this gentleman forgot that he was there between 1986 and 1991 and what he did with the economy.

Mr. Manning: And again between 1995—

Hon. K. Valley: No, he was not there in 1995.

Mr. Manning: Well, he was around.

Hon. K. Valley: He was cooling it in the Central Bank where we gave him a cushy job. We wanted to do all kinds of nice things for him and he did not want it. He wants to come and pontificate. Do not come and pontificate for us! We know how to do it! We have demonstrated how to do it!

So the legislation before us is another tool in our arsenal, as it were, to help us to control inflation. That is what it is. It is to give the Central Bank the leeway to have its open market operation without let or hindrance, to help us control liquidity. It is the same that you want us to do; the same thing that Dr. Ramkissoon was advising that the Central Bank do. You read the report as though you did not understand it. He said that the Central Bank must take steps to control liquidity. That is what we are doing by this measure. So I do not understand why you spent all this time “gallerying”, and so on, when you have a history of failure. There was no credibility with respect to what you say because you did not demonstrate between the period 1986 and 1991 that you knew how to do it. You first must demonstrate competence before coming and talking and trying to lecture people on competence.

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

Dr. Roodal Moonilal (*Oropouche*): Mr. Speaker, thank you for the recognition. In this very brief intervention, I just wanted to respond to a few comments made in the debate. I have noticed in the very exciting debate that is going on here, an

underlying issue that has been debated—today is not the first time; it happens regularly—which is really the crossfire between the Member for Diego Martin Central and the Member for St. Augustine. There is a healthy crossfire that has been going on for some time now over the governance of the 1986 to 1991 NAR regime and matters pertaining to economic planning and wider social development taking place today.

I just wanted to indicate that I find this to be a very exciting issue and worthy of a wider debate on our economic history and the brilliant minds that now occupy the Ministry of Finance. I think there are four of them. Maybe it might be of use to debate the economic history of this country since it is well accepted that we are at another very critical path now in the history of—

[Mr. Manning stands]

Could I finish, please, Mr. Prime Minister? You surely would not mind allowing me to complete the point. Thank you for your graciousness.

5.30 p.m.

In the history of this country there are different points at that critical juncture when a country gets a unique opportunity to plan, build and advance different, if not radical, policy frameworks for development.

In the 1970s during an earlier boom as a result from oil and the international economy, this country had one unique opportunity for development. Today this is another critical point as a result of international, economical and even political factors because the international political situation today is not what it was in the mid 1970s. This is another opportunity for this country to think outside of the box and advance new and fresh policy ideas on development and certainly, to have the resources to introduce new development models.

While 1981—1986 is a particularly important period in our history because of the change of government for the first time in 1986, it would be useful for our very good friend for Diego Martin Central and the Prime Minister to reflect on the economic policy and decision-making of 1977 to 1986. What happened in that period that gave rise to the economical realities as faced by the regime of 1986 and 1987? Some issues have not been advanced. There was a matter of a major debt crisis that this country faced and economic growth. At what time did this country go into negative economic growth? What year was it? It may have been around 1982, but it certainly was not 1986. Let us agree on that. It was before.

Mr. Valley: 1983.

Dr. R. Moonilal: It was during the period 1983 to 1994, this country registered negative growth and from 1993, thereafter, positive growth that continues today. It would be useful to look at the models and planning that were introduced in the post oil boom years between 1975—1986, to see what happened; what went wrong and what was the model. I am afraid to admit that I believe that this Government is repeating not all, but some of the mistakes of an earlier incarnation of the same party in that period.

Mr. Manning: For example?

Dr. R. Moonilal: For example, the heavy expenditure into state enterprises with the recent introduction of greater state enterprises and agencies. [*Interruption*] As the Prime Minister asked I am responding.

If you look at the Central Statistical Office (CSO) publication of 1978, there is an article that indicated the amount of state intervention in the economy and how much assets the State was involved in. Today, there may be a point where the Government is going back to that road of returning to state involvement not just in facilitating and planning but in some kind of productive activity as well.

The other point on expenditure—we will get data by itself because I do not want to make a point and not have the data, it is important to look at unemployment. Before this year this country had the lowest unemployment rate in 1982 and then unemployment increased dramatically and reached a high by 1990/91 and then began a reduction from 1992 to where we are today. Where we are today looks good but I keep saying that when you go behind the unemployment figure today and look at the amount of the State's involvement in employing, you would see that the State is a significant employer of part-time and seasonal workers. If you add the labour force in several of the state-led and -driven employment programmes—we have a host of them—the State is a major employer.

Today, when you ask a business person if he or she can get someone to sell bread on the bread-van; to work in the warehouse, bar orw pub, he or she would say no. Most of the persons are employed in state-run, part-time, seasonal work below 40 hours per week. That is affecting the business community as well.

Mr. Manning: Mr. Speaker, I thank the hon. Member for Oropouche for giving way. I would like him to know that it is a deliberate strategy on the part of the Government to stimulate employment activity by state-involvement in the first instance. While we do that we also take steps to bring about economic expansion

in the private sector. As that begins to pick up the State would back out of its involvement and you bring the economy on an even keel. It is a strategy that is working very well.

Secondly, different from today to what obtained in the past with respect to the State's involvement in business, the state enterprises you see being formed today are not so much enterprises formed as part of economic and commercial activity in the sense which they existed in the 1970s and 1980s, but as instruments of the execution of Government's policy special purpose state enterprises, where indeed, we are getting around the strictures and bureaucracy of the public service and sector and moving into a semi-private sector mode, where implementation is better and levels of productivity are significantly higher. [*Desk thumping*] That is the approach that has led to the comment today for the first time in this country's history, that the Government is moving too fast.

Dr. R. Moonilal: Mr. Speaker, I am very happy to know that it is a strategy for the State to absorb workers and seek to transfer them to the private sector. At another time I will debate that strategy. When I am ready I would bring some evidence from other countries that tried that strategy and I would tell you where it led them. I will bring evidence particularly from South American countries that tried that very strategy of expanding the state; grabbing the labour force and hoping it would transfer itself to economic private sector activity. The state remained the employer, not the private sector and created supply and demand imbalances in the labour market that made it impossible for labour to be transferred to the private sector.

My final point is that one of the problems here is that many Members of the Government are from the cities and urban centres. When you look at this Government, several key and important Members of the Cabinet are city slickers; they are city people. When you look at the Opposition—this is natural and normal—many are rural-based in different areas of the country. Sometimes the Government Members would give their thoughts on development, planning and what is happening and persons like me, sometimes I feel like I am living in Mars when I come here every Friday. When I hear them I say, what are you talking about agricultural access roads when farmers in Oropouche complain that they cannot get involved in agriculture because of poor drainage and the worst access roads? What are you talking about when you talk about food production? Many of us who come from the food producing areas can tell you that this talk about agricultural expansion and food production is a complete myth. In reality nothing of the sort happens. I am happy to hear my friend for Diego Martin Central talk

Treasury Bills (Authorization to Borrow)
[DR. MOONILAL]

Friday, July 07, 2006

about the use of NAMDEVCO. For what? To cut out the middle-man. Maybe, firstly, you should try to get T&TEC to put back the electricity at the National Agricultural Marketing and Development Corporation (NAMDEVCO). Before they cut out the middle-men they should try not to cut out the electricity. This is the problem we face. You come here and hear that NAMDEVCO is playing a great role to import food but there is no electricity.

This is why persons like me must bring to the Government the problems on the ground. While some of those plans are not bad, shockingly, some of your plans might be of use, but if you ignore the facts on the ground, no such thing would happen because of your current state of infrastructure and maladministration.

Thank you.

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Mr. Speaker, I thank both the absent Member for St. Augustine and the Member for Oropouche for the intervention that they have made in this matter. According to the Member for St. Augustine, for one who does not understand these matters, as has been said to us by those that know, our domestic economy will continue to grow and it really faces two main challenges. One is containing inflation and the other is efficiently managing the foreign exchange market. In order to do that, we are aware of a couple of things. Government's spending will be looked at and dealt with in the context of looking at capacity issues. Wage increases must be contained in line with productivity gains. The reason we are here this evening is for the intensification of efforts by the Central Bank to reduce excess liquidity and contain bank credit and of course, the continuation of a tight monetary policy stand. Fifty per cent of the tools that are required for us to control inflation is reflected in what we have to do this evening.

One of the things that the IMF has said to us is that the reason Trinidad and Tobago continues to enjoy what it does today is because successive governments have basically carried out the macro economic policy framework prescriptions that have been set up by those before us. As a consequence, we have had 12 years of continued growth. For those who believe that we should do something else, the question that we really need to answer is: Why do you need to do something else when basically—[*Crosstalk*]

Mr. Speaker: Will the hon. Member for Fyzabad come back to his rightful seat? I would like to hear the Minister. Please Members, the Hansard reporter is also having difficulty. Continue Minister.

Sen. The Hon. C. Enill: Thank you, Mr. Speaker.

I was making the point that our success has much to do with us following what is available to us internationally and anchoring some of what we do and the policies within the context of a global environment. The world has changed and the economy has exchanged. As this happens we relate and put things in place to deal with it.

I will like to make two comments as they relate to what we have not answered. One has to do with the question of Standard and Poor's. This is an agency that looks at the economic indicators and puts a grade for Trinidad and Tobago in relation to comparative countries. Sometime ago in the analysis that they did we asked: When you do a rating for us, exactly who are you comparing us with? To date, Trinidad and Tobago has an "A" rating. We are compared with the oil exporting countries of Kuwait, Saudi Arabia, Mexico, Russia and Venezuela. If you look at those countries in terms of the inflation and unemployment rate and put Trinidad in the context of that, you would get a sense of what is happening. For information so that we have an understanding of where we are in the global environment, we see Saudi Arabia with a GDP of \$340 billion with an unemployment rate of 13 per cent. Compare that with Trinidad and Tobago with \$13.9 billion and an unemployment rate of 6.9 per cent. You have Venezuela with \$1.61 billion with 12.3 GDP; an unemployment rate of 12.3 but an inflation rate of 15.7 per cent. We need to understand that oil exporting countries—Trinidad and Tobago is both an oil exporting and oil importing country—will import some global inflation because of the type of economy they face.

The other issue that was raised had to do with the question of debt. Our debt since coming into office on a sustainability basis has been reduced. There are two issues, the central government debt and the gross public sector debt. One deals with Government spending and the other takes into account all the notional off balance sheet items that we are talking about. In 2000, the gross public sector debt was 54 per cent of GDP. By 2005, it ended at 40.7 per cent. The international benchmark is 50 per cent. This is gross public sector debt. In terms of central government debt, it moved from 42 per cent in 2000, to 23.8 per cent in 2005.

The other point I want to make is this. In 2000, the gross domestic product was TT \$51.4 billion. In 2006, it is projected to be \$101 billion. In fact, the size of the economy has doubled since 2000. If you understand that that took place in a five-year period, some of the macro-economic fundamentals we are talking about today are in place. The challenge that we face is inflation. When we examine inflation we understand that a major component of it has to do with the food element. Mr. Valley talked about that and the Minister of Agriculture, Land and

Marine Resources will deal with it. From where we sit the economy is being managed in a way that is appropriate and is in good hands.

Mr. Ramsaran: Thank you very much. We have heard the argument of inflation and the economy is doing well. Is there any plan by Government to inject into the economy something that would reduce the cost of living and lower inflation rather than just accepting it? The poorer people are really struggling to make ends meet.

Sen. The Hon. C. Enill: The answer is yes and of course, the supply side considerations.

We have reached the stage—because of a series of circumstances that we had no control over the major food baskets in the United States were hit three or four times by natural disasters. That impacted on their ability to provide food. Within the Caricom region the countries that usually produce some of our products had the same kind of issues. In Trinidad and Tobago whatever we produce was not sufficient. We had a particular set of problems at a particular point in time. When we look at what is taking place today, we recognize that some things the Member for Oropouche talked about such as the infrastructure need to be done. We find that for farmers to get out produce it requires the infrastructure and over the last six months to one year, the Ministry of Agriculture, Land and Marine Resources has been doing some work and we are seeing some of the benefits. The specific things we have to do to bring it down deal with the supply side.

The first thing we have done and it has not worked because for some strange reason when we provide benefits to merchants they believe that they should not interfere with the price of goods to the consumer. When we take out customs duty or change the port surcharge we find that the price to the consumer continues to go up. If we look at what was happening in Trinidad and Tobago we are able to find institutions where they pass on the price to the consumer and institutions where they keep the profit. This is what I talked about when I said that on the basis of information available to us we were seeing where some institutions were offering the same product at a differential of 25 or more per cent. If we make this information available to the public there are some elements of price opportunity inside there they need to be aware of and make the choice as to whether or not they want to participate.

There is another issue. This question has been asked and also this evening: Where is the money going? It is going in the pocket of politicians. I want to put on record where the money goes. During the course of last year the Government

allocated \$17 billion to do a couple of things such as, in support of educational institutions, \$1.1 billion; the University of the West Indies, \$677 million; the University of Trinidad and Tobago, \$93 million; Higher Education Loan Programme, \$102 million; grants to government secondary schools, \$100 million. How much of that goes into the pocket of a politician?

Households, public officers, pensions and gratuities, \$1.25 billion; subsidy on the resale of petroleum products, \$1.3 billion; old age pensions, \$1 billion; social assistance, \$268 million; disability grant, \$152 million. Where is all this going? Some say in the pockets of politicians.

There are some other transfers such as the Infrastructure Development Fund, \$3 billion which is generating some of the infrastructure you are seeing now; in savings, revenue stabilization, \$2.5 million; GATE, \$250,000; the Regional Health Authorities, \$1 billion. I could go on and on. The point is that these allocations are going to those in society who have either worked for a number of years and are now at the stage where they need to receive a pension benefit or are receiving some pension from the State.

During the course of the debate I heard absolutely nothing from those on the other side that they have disagreed with for them not to lend support to the measure before us or the Motion before us. Having answered most of the questions that have been raised, I beg to move.

Thank you.

Question put and agreed to.

Resolved:

That for the purpose of facilitating the conduct of open market operations by the Central Bank of Trinidad and Tobago, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate fifteen thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Treasury Bills.

**TREASURY NOTES
(AUTHORIZATION TO BORROW)**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):
Mr. Speaker, I beg to move.

Question proposed.

Question put and agreed to.

Resolved:

That for the purposes of promoting monetary credit and exchange conditions most favourable to the economy of Trinidad and Tobago, the Minister of Finance is hereby authorized to borrow such further sum or sums in Trinidad and Tobago, not exceeding in the aggregate five thousand million Trinidad and Tobago dollars or the equivalent thereof in any foreign currency or currencies, by the issue of Notes.

ADJOURNMENT

The Minister of Trade and Industry and Minister in the Ministry of Finance) (Hon Kenneth Valley): Mr. Speaker, I beg to move that the House do now adjourn to Friday July 14, 2006, at 1.30 p.m.

I wish to inform the House that on that day we would be following the Order Paper. We would do Bill No. 1, the Financial Institutions (Amdt.) Bill; No.2, the Caribbean Examinations Council (Privileges and Immunities) Bill and No. 4, the Caribbean Court of Justice Trust Fund Bill.

I beg to move.

Mr. Speaker: Before I put the Motion for the Adjournment there is a matter to be raised by the hon. Member for Oropouche.

PowerGen (Deaths of)

Dr. Roodal Moonilal (Oropouche): Mr. Speaker, the matter to be moved on the Adjournment of the House revolves around a very critical area that has been in the public domain occupying the attention of the national community over the last few weeks in particular, but generally, over the last few decades.

It was just recently around June 28, 2006, that another tragedy took place, this time at PowerGen, South Trinidad in the constituency of Oropouche, where two young men, Mr. Anil Jailal and Mr. Taran Jhilmit of Penal Rock Road died as a result of an explosion which knocked out electricity supply in the area. The company in question is PowerGen. This represents another tragic loss of life; another group of families; another community in mourning; another group of children and families that are without their loved ones as a result of an industrial accident

I begin by stating categorically that this Government has one of the worst records in the western hemisphere in dealing with health and safety and the

Adjournment

Friday, July 07, 2006

protection of workers. We do not have time now to trace the origins and development of the health and safety legislation which we have on the books and was passed recently in this House.

I want to remind Members and the national community of a couple issues related to that. In the aftermath of coming into power in 2001, the PNM Government came to this House with comprehensive health and safety legislation which they had not supported previously under the government of the United National Congress and the leadership of the Member for Nariva, the then Minister of Labour.

On a very historic occasion in this House the Member for Point Fortin rose and we can never forget his speech when he expressed his gratitude to Members on this side. He presented and piloted the comprehensive legislation on health and safety. The only response from the Opposition came from the Member for Couva North. At that time we were excited and the Member for Point Fortin indicated that it was a Christmas gift to the workers that he had the privilege to bring this legislation that was passed. That was the first time in recent memory that the Opposition supported the Government.

Having passed that legislation the Member for Point Fortin left office under circumstances in which he accused the Government of terrorizing workers at Point Fortin.

6.00 p.m.

Mr. Speaker, a new Minister of Labour and Small and Micro Enterprise Development emerged, the Member for St. Ann's East and he got busy organizing a big industrial relations seminar. Then he left and the current Minister entered office. Let me fast forward that to come to the issues.

The very first utterance that came from the current Minister was to indicate—*[Interruption]* well, it was post cassava—that there were problems with the legislation. The current Minister of Labour and Small and Micro Enterprise Development said in this House that he knew of those problems with the legislation. In fact, the current Minister said when he was in Cabinet where, presumably, the legislation came before, he was aware of the shortcomings of that earlier piece of legislation. Of course, he was probably powerless or had no influence at that time, so although he was aware of the shortcomings he supported it.

Mr. Speaker, it took a long time before we got a very comprehensive list of amendments, and then we participated in January 2006—this is between 2003 and 2006, about three years—in passing the amendments and so on.

Adjournment
[DR. MOONILAL]

Friday, July 07, 2006

Having passed the amendments—and many of us on this side gave our support, reluctantly—we were advised by sections of labour movement that we should not have supported that amendment. But we did, we went ahead and supported it because we were so enthusiastic that we must pass legislation to implement, once and for all, comprehensive health and safety legislation. That is why the UNC, notwithstanding a defined policy of non-cooperation with this Government, we went ahead, for a second time and supported the amendments, thinking that finally we could implement the Occupational Safety and Health Act (OSHA).

Mr. Speaker, that was in January 2006, but we are in July and five lives have been lost and today we have the typical blame-game of the Government. It is an insult to awake in the morning and read newspaper headlines that the Minister of Labour, Small and Micro Enterprise Development is in a squabble with members of the employer community over who is responsible for health and safety. I will read from the *Newsday* July 04, 2006:

“TTMA, Montano wrangle over OSHA”

Sunday Express July 02, 2006 on page 20:

“Montano slams TTMA, Don’t shift responsibility for workers health, safety to Government.”

And we are faced with this most cruel irony of who is really responsible. Health and safety is a public policy matter. It can only be a government that is responsible. An employer has to comply with the law, with regulations; they must comply with public policy and public law, but a government is responsible. If we continue that logic then we could tell communities that they are responsible for criminal activities. They should deal with criminals, not public policy. We should tell the gangs that they are responsible for criminal activities and they should deal with it; not the Government.

Mr. Speaker, they have been passing the blame in this most imbecilic manner while people are dying; while explosions and accidents are taking the lives, invariably, of young men and fathers.

Mr. Speaker, you will remember that we came to this House on previous occasions; it was the Member for Nariva who moved a private motion in June, 2005 to debate the OSHA. The said Member asked a question on this matter. The Opposition UNC has been behind this Government, toe-to-toe, forcing them, pleading—what else, Mr. Speaker? We have been asking the Government to please implement the OSHA immediately.

Adjournment

Friday, July 07, 2006

Mr. Speaker, when they had to close down Caroni (1975) Limited they did it overnight. It did not need any planning! How did they not take six years to close Caroni (1975) Limited?

Mr. Ramnath: They just raped the people.

Dr. R. Moonilal: How is it that overnight you went into the cane fields and the bushes and organized to close Caroni (1975) Limited, but we have to take three years and more to implement OSHA?

The Government has been condemned in every newspaper in Trinidad and Tobago, so I do not want to quote and waste time with that. What is more fascinating is that we cannot get the Government, via the Minister, to tell us when. Which morning could we awake—tell us in which month and which year—and know that health and safety laws are in effect? Every time the question is asked they cannot give us a time frame for a matter that involves life and death.

They have told us now that they have to recruit an executive director from abroad. Do we not have any qualified national to serve as executive director of an Occupational Safety and Health Authority?

Mr. Ramnath: Let them offer me the job.

Dr. R. Moonilal: Do we not? But of course you have the distinguished Member for Couva South with remarkable capacities in that area.

Mr. Ramnath: Do you want to retire me? [*Laughter*]

Dr. R. Moonilal: Mr. Speaker, under this PNM Government we need a foreigner to build big buildings in Port of Spain; we need another foreigner to give out Caroni lands; we need a “next” foreigner to run the Disaster Management Authority and now we need a “next” foreigner to run OSHA; we need a foreigner to run the police; why do we not just go all the way and get a foreigner to run the country?

Why do we have to be advertising and waiting on international applicants? We have qualified men and women in this country! I am only hoping that when they do appoint the executive director we do not have any official in this country who applied and then take this Government to the Privy Council to say that they were discriminated against. Then we would have another shameful exhibition of five white men telling this Government how to treat people.

Mr. S. Panday: Thank God for them.

Dr. R. Moonilal: Thank God for the highest court in the land, the Privy

Adjournment
[DR. MOONILAL]

Friday, July 07, 2006

Council. Mr. Speaker, I want to put this Government on notice that if they go and hire persons from abroad and ignore skilled and competent persons from Trinidad and Tobago they will then injunct them; go to the courts and then we will have the same thing as in the Maha Sabha where Lord Hope and Lord Hoffman and others told the PNM Government that they must treat people equally and fairly because that is the end result of all that they do.

When we asked them to give us an update of what is happening the Government told us that they are training. We are not sure of what training they are doing.

Mr. Speaker, it is our understanding as well, based on utterances from the Minister, that there is a Cabinet-appointed committee dealing with the implementation of OSHA. We would like to know who the members of this Cabinet-appointed committee are. Who are they? What are they doing? What is their time frame for getting the OSHA implemented?

The Minister admits—this is July, the Bill was passed in 2003; the Bill was passed again in January 2006—that they are still looking, via the Government’s Property and Management Division, for suitable accommodation for the authority. When did we awake and realize that we have OSHA here that we are still looking for accommodation for the authority?

I notice they did not look very far to get accommodation for Estate Management Business Authority, Mr. Rao. We would like to tell this Government that they need to get their act together and indicate today to the labour movement and to the population the exact time frame for implementing the OSHA and to meet and treat with this issue with the greatest degree of urgency.

The matter is getting worse because, as you know, under the distinguished leadership of the Member for Port of Spain North, doctors are now walking out on their jobs because of problems of health and safety at their place of work. We have more areas that are challenging us today, while the 1977 legislation cannot be implemented in 2006.

Thank you.

The Minister of Labour and Small and Micro Enterprise Development (Sen. The Hon. Danny Montano): Thank you, Mr. Speaker, I really did not expect to be hurling insults here this evening but the hon. Member for Oropouche referred to the “imbecilic manner” in which I was dealing with the issue of the TTMA. Well, I would not have used the word as an adjective; I would have used it as a noun with respect to the Member.

Adjournment

Friday, July 07, 2006

[Oohs and aahs from Members of the Opposition]

Mr. S. Panday: Oh, shame on you!

Sen. The Hon. D. Montano: The contribution on the part of the Member displayed, very clearly, the rather clouded view that the UNC has of what the Occupational Safety and Health Act is all about.

Mr. Ramnath: Rubbish! Absolute rubbish!

Mr. Speaker: Order, please!

Sen. The Hon. D. Montano: I sat very quietly and listened to the nonsense; we all did.

Mr. Ramnath: We were not talking rubbish.

Mr. Speaker: Address me, please.

Sen. The Hon. D. Montano: Thank you, Mr. Speaker. As I said, they have a clouded view of what the Occupational Safety and Health Act is all about. It is that complete misunderstanding of what the legislation is supposed to do why we ended up having this kind of discussion this evening.

I have always said, from the time I became the Minister of Labour, Small and Micro Enterprise Development, and I say it again that the legislation alone cannot protect workers. We have laws on the book that are there to protect citizens in all aspects of our daily lives. We know very well that the law does not act by itself. What this law does, Mr. Speaker, is that it clearly puts a very specific burden on employers to institute measures that would protect their workers from harm in the workplace. That is what it does! *[Interruption]*

[Mr. Speaker pounds the gavel]

Mr. Speaker, the Act, at no time ever in the design of this Act—it took many years before it finally came to fruition—was it contemplated to place the duty of care on the State. *[Interruption]*

[Mr. Speaker pounds the gavel]

It was never contemplated to do that! What the Act does is that it places the duty of care on the employers and then sets up the authority and, specifically, the agency, and the agency has essentially three functions. *[Interruption]* *[Crosstalk]*

Mr. Speaker: Order, please!

Sen. The Hon. D. Montano: Mr. Speaker, they can examine the circumstances of

Adjournment

Friday, July 07, 2006

[SEN. THE HON. D. MONTANO]

companies; they can investigate accidents and they can prosecute an employer for a breach of the Act. They can also—although this is outside of the Act—act as advisers. Companies can go to the agency—this is what is anticipated—and they can ask for advice, although that is not part of the legislation. At no time was it ever anticipated that the agency of any part of the administrative structure would act as policemen.

The Member for Oropouche spoke about what he has heard from the labour unions. I am telling him that I had discussions with the unions on this very issue that was in the newspapers last week and they agreed with me that the responsibility lay with employers. It does not lie with the State; it lies squarely on the shoulders of the employers. [*Interruption*]

Mr. Speaker: Order! Order!

Sen The Hon. D. Montano: The State has a responsibility to institute the authority and the agency. Just two days ago I went to some lengths to explain exactly what is happening with that and I do not need to repeat myself again. [*Crosstalk*]

Mr. Speaker: Please, hon. Members on both sides, I want to hear the Minister's reply. I am sure you want to hear him too. Let us hear him. I am sure that the Member for Oropouche wants to hear him. [*Interruption*] No, let us hear him.

Mr. Ramnath: But he is misleading the House.

Sen. The Hon. D. Montano: Mr. Speaker, the Member for Oropouche said that Caroni took no planning to close and he asked why we could not just set up the agency. You see, Mr. Speaker, their thinking is that it takes no planning to do anything. You do everything by “vaps”. You awake in the morning and you say start an agency; start the authority and you do not know what you are doing, how you are doing it or what it is for.

Hon. Member: Five years.

Sen. The Hon. D. Montano: Mr. Speaker, let me remind Members on the other side that the Occupational Safety and Health Act is in force. It was proclaimed on January 17, 2006; it is in force! [*Desk thumping*] [*Interruption*] Yes, because he asked. He said he wants the Minister to say when the health and safety laws will be in effect. Hon. Member, they are in effect. [*Desk thumping*] They are in full effect as of February 17, 2006, and nobody can escape it! [*Interruption*]

Adjournment

Friday, July 07, 2006

Mr. Speaker: Order!

Sen. The Hon. D. Montano: Mr. Speaker, he went on to suggest with a frivolous argument: Why should we have, by way of international advertisement, for a foreigner to come here as an executive director? I think Leo Beenhakker has put paid to that argument. [*Desk thumping*] I really do not think I need to engage in that level of lack of intellectual debate; there is just no point in going there.

The last thing he said that I would have to contradict is that there is a Cabinet subcommittee to implement the Act. There is no such thing and I said nothing of the kind. What I said was there is a Cabinet subcommittee that has received the names for the Occupational Safety and Health Authority and they are to consider and select the names for appointment. That is what that is doing; it has nothing to do with the implementation of the Act at all.

Mr. Speaker, there is nothing else that needs to be said. I thank you very much. [*Desk thumping*] [*Interruption*]

Mr. Speaker: Order, please!

Question put and agreed to.

House adjourned accordingly.

Adjourned at 6.19 p.m.