

Leave of Absence

Monday, February 4, 1992

SENATE

Tuesday, February 4, 1992

The Senate met at 1.30 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. Camille Robinson-Regis from today's sitting of the Senate.

PAPERS LAID

1. Report of the Auditor General on the Accounts of the Trinidad Mortgage Agency Company Limited for the year ended December 31, 1990. [*The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith)*]
2. The Excise Duty (Petroleum Products) Order, 1992. [*Hon. L. Saith*]
3. The Excise Duty (Alcoholic Beverages) Order, 1992. [*Hon. L. Saith*]
4. The Excise Duty (Tobacco Products) Order, 1992. [*Hon. L. Saith*]

EXCISE DUTY (PETROLEUM PRODUCTS) ORDER

The Minister of Finance (Hon. Wendell Mottley): Mr. President, I propose to deal with Motions 1, 2 and 6 first and then I will go on to deal with the other items, with your leave, Sir.

Mr. President, motion No.1 contains a small error. I therefore wish to amend the motion as follows:

- (a) In respect of marine diesel, change "7 cents" to "10 cents";
- (b) Add at the end of the motion, "This Resolution is deemed to have come into operation on the 18th day of January, 1992".

The amendment is necessary because the Petroleum Products, (Amendment) Order 1992 which was made by the Minister of Energy and Energy-based Industries under the Petroleum Act, Chap. 62:01 and which came into operation on January 18, 1992 makes a distinction between the two classes of diesel oil, marine diesel and auto diesel; and the intention was that only auto diesel should bear an increased excise duty. Therefore, in accordance with the Petroleum

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Products (Amendment) Order 1992, marine diesel has remained at the old price of 84 cents per litre, retail, whereas auto diesel is now being sold at 98 cents per litre reflecting the increase in excise duty from 10 cents to 17 cents per litre. For this reason, the resolution is retrospective to the date of the original duty Order, 1992.

Mr. President, I beg to move the following motion standing in my name:

Whereas it is provided by subsection (2) of section 13 of the Excise (General Provisions) Act, Chap. 78:50 that the Minister may by Order impose any new excise duty or increase in excise duty and from the date of publication of the Order in the *Gazette* and until the expiry thereof the duties specified in the Order shall be payable in lieu of the duties payable prior thereto; and

Whereas it is provided by the said subsection that every Order issued under that subsection shall, after four days and within twenty-one days from the date of its first publication, be submitted to the Senate and House of Representatives and the Senate and House of Representatives may by Resolution confirm, amend or revoke such Order, and upon publication of the Resolution of the Senate and House of Representatives in the *Gazette* the Resolution shall have effect and the Order shall then expire; and

Whereas the Excise Duty (Petroleum Products) Order, 1992 was made under subsection (2) of section 13 of the Excise (General Provisions) Act, and first published in the *Gazette* on the 18th day of January, 1992; and

Whereas it is expedient to confirm the said Order:

Be it resolved that the Excise Duty (Petroleum Products) Order, 1992, be confirmed subject to the following amendment:

In paragraph 2, delete item "Diesel oil...17 cents per litre"

and substitute the following items:

"Auto diesel oil...17 cents per litre

Marine diesel oil...10 cents per litre...

This Resolution is deemed to have come into operation on the 18th day of January, 1992."

Hon. Members will recall that in the course of the debate on the Appropriation Bill, 1992, I had indicated that there would be a 65 per cent increase in the rate of excise duty charged on petroleum products. This measure was effected by the publication of the Excise Duty Order, 1992 which came into effect on January 18, 1992.

Mr. President, the Excise (General Provisions) Act, Chap. 78:50 requires that every Order imposing a new excise duty should be submitted to Parliament within twenty-one days from the date of the first publication; and Parliament is empowered to confirm, amend or revoke the Order. Mr. President, I feel confident that this motion will get the endorsement of the House.

Mr. President: Hon. Senators, I will now propose the motion, as amended for debate. I hope everybody understands what is before the Senate. We are dealing with motion No.1 which seeks to confirm the Excise Duty (Petroleum Products) Order 1992. However, the Minister has given notice of an amendment, which I think you have before you, and has moved the motion as amended, in accordance with that amendment. He is also dealing with two other Excise Orders in motion No. 2, that is the one for the Excise Duty (Alcoholic Beverages) Order, and motion No. 6, the Excise Duty (Tobacco Products) Order, 1992. So when this motion is proposed any members wishing to join the debate may speak on any matters concerning motions 1, 2 and 6.

Question proposed.

1.40 p.m.

Sen. Wade Mark: Mr. President, one of the most important commodities in any economy is money, and money, as you know, runs through the entire economic system. As such, no economic system can run effectively if there is inflation, or in some instances, hyper-inflation. The fiscal measures, particularly the increase in excise duty on petroleum products, will trigger inflation in Trinidad and Tobago. The increase in petroleum products in Trinidad and Tobago has already begun to impact very adversely and very unfavourably on the cost of living. As you know, the people who are affected most of the time by these measures are the vast majority of working people in our country.

Since the announcement in the budget that excise duty on petroleum products will be increased, almost everything has begun to shift in price in Trinidad and Tobago. In fact, at the moment I am compiling a list of commodities which I will pass on to the Minister of Finance which have zoomed as a result of the increase in the excise duty on petroleum products.

The cost of transportation in this land has rapidly increased. Look in the newspapers, for instance, the *Express*, Thursday, January 23, and you see: "Hike in taxi fares." I read for the records:

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"The Curepe, St Augustine, Tunapuna Taxi Drivers' Association yesterday announced an increase in fares on their routes."

In some instances, fares have increased from \$3 to \$4, from \$2 to \$3, and short drops, from \$1.50 to \$2. In South and Central, it is the same story, taxi fares have risen. Sangre Grande, Arima, same development. Maraval taxi fares have also increased.

I would like to quote for the records, a statement on page 39 in the *Sunday Express* of February 2, written by Donna Yawching. I just want to quote here, the impact that the increase in the cost of petroleum is having on the population of Trinidad and Tobago:

"On the most simplistic level, virtually everything that we buy needs to be transported from A to B at some point in its life-cycle. A steep hike in gas prices means a correspondingly steep hike in transport costs—and who is going to cover these costs, if not that poor fish at the end of the line, the consumer? Not to mention the fact, of course, that it will now cost the average worker more to get to work—but his paycheck, when he gets there, is not likely to be any higher.

And in the supermarket? Well, check the ingredients of most of the processed foods you buy, and see how many do not contain sugar. We may all soon be reduced to a steady diet of crix and water."

What is happening is that as a result of the measure, life, as you know, has now become very difficult for a number of people in this country. We, on this side, warned the Ministry of Finance of the kind of ripple effect that particular measure would have on our country and on the citizenry, generally. Of course, the Minister did not take us on and the budget was in fact passed.

As you know, over the last 10 years, real wages in this country have collapsed by more than 50 per cent. We have a very tolerant labour force in this country, and I dare say, a very responsible trade union movement, because, as you know, workers have had to undergo two devaluations, one in 1985 and another one in 1988; 10 per cent cuts in salaries; COLA suspension and also the suspension of the award of the Industrial Court. We have not had any chaos or major disruption in our society.

Just today, I understand that there was some attempt at a coup in neighbouring Venezuela. Again, the same IMF, the World Bank and ADB, which are around our

necks here, are around the necks of the Venezuelan people. They have had many problems across there. We have been fortunate not to have had the kind of unrest which is taking place throughout many Latin American countries.

The point I wish to make here is that as a result of the increase in petroleum products, where people's purchasing power has been effectively reduced without any commensurate increase in their wages and salaries, what we can expect is increased industrial tension in Trinidad and Tobago. Because unless there is a package, and a convincing package at that, in which people in this country can feel that the sacrifices that are necessary to be made are going to be equitably borne and shared by all the social groups in our society, and unless we are able to convince the population as to the cost of that recovery process, as well as the rewards which are going to be reaped at the end of that process, I think that we are standing still, and in many instances we are going backward. This is one of the problems that we have with this motion.

1.50 p.m.

We must make a distinction between compromise and suicide. They cannot expect people to continue to compromise and to make sacrifices year in, year out, and no controls are in place to ensure that the consumers and workers of this country at least have a decent wage and salary to live on. You are breaking the peace. This is precisely what is going to take place with this particular Order. This motion is going to contribute towards breaking the peace in Trinidad and Tobago.

It seems to me that the Government of Trinidad and Tobago is not doing its homework. I asked, and I repeat today what is the exact percentage points we can anticipate the cost of living to increase by as a result of the measures introduced in this budget? We have not received a response up to now. I ask again, what is the expected increase, as a result of those fiscal measures, that we can expect as a population? If we have no answers coming to that, there is an old saying that empty bags cannot stand. I suspect very much that instead of workers concentrating on the expansion of production, and the expansion of the national cake, what is going to happen is that we are going to have a continuation of contraction and we possibly could end up back into that cycle of negative economic growth.

As you are well aware, when people's effective purchasing power has been reduced, they do not concentrate any longer on production or even productivity. What they concentrate on is how they are going to retrieve what they have lost. In

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other words, they are going to be struggling for increased wages and salaries merely to maintain their previous living standards.

Therefore, what we can expect, as a result of this motion before us, is a further slide—unless the Government could indicate otherwise—in production, and consequently, national output in Trinidad and Tobago. It is very sad that at this point in time, when our country has to service a debt amounting to over \$2.5 billion, we now have to find ourselves defending our positions, as far as wages and salaries are concerned. That is precisely what is going to take place in the coming months. And, I suspect very much that the Minister, and the Government, are not really prepared to level with this population and let us know exactly where we stand. I am convinced, in my mind, that we have the capacity to overcome our difficulties and problems. However, one of the things that we need to recognize from very early is that the Government must level, the Government must be very frank and sincere with the population.

Why is it, for instance, that you present a budget that is going to increase excise duty, knowing that it is going to have a spiral impact on production, rippling throughout the economy, and you cannot tell this country, nor this Senate, by how much the cost of living is going to increase? Is it 10, 4, 3, per cent? What? You see, if we know these things, we would be able to make some more serious projections, but we have not been provided with the necessary information on these matters and, therefore, we are left to speculate as to what will take place.

We have no problem with the motion on tobacco. We think that is a healthy sign. It is not often we would agree, but tobacco is a commodity that is going to bring some revenue to the Treasury, and that, to my mind, we on this side have no argument with. Neither can we have any argument with the issue of alcohol. At least we have no difficulty with the arrangement that is proposed in the budget, as far as the duty on that particular commodity is concerned. We feel we need to develop a more healthy society, and we know the kind of impact that both tobacco and alcohol have had on populations throughout the world.

We have no difficulty with those proposals, except to say that, for instance, it might be useful for the Minister, in winding up, to indicate to us, in the same way he was able to exempt VAT from school books—and I understand it amounts to about \$18 million or thereabouts—what percentage of that sum actually goes towards the purchase of school books in this country, seeing that, for instance, all books are now exempted. I am not opposed to reading, I think it is a healthy thing

for our population, but if you have a choice between food and books, certainly, you have to give priority to food at times. So no exemptions on food, but you have exemptions on books.

I have no problem with school books. What I am simply asking the Minister is: Out of that \$18 million, that the Government has lost as a result of the measure introduced, what quantum of that sum would be going towards the purchase of school books, in Trinidad and Tobago and what quantum would be going towards the purchase of other literature? I am looking at it from the point of view of the relative importance of that issue, in the context of food. We on this side feel very strongly that the Government ought to have taken a serious look at the question of food. Too many items in the groceries today are out of the reach of the ordinary people.

2.00 p.m

The budget is read today, and today prices of goods and services are increased. You go in any supermarket today and you will see changes to most of the commodities already and those people have stocks. They have not exhausted their stocks but we as the consumers of this country are caught in the middle. Even before the budget was passed, prices went up in this country. Even those things that did not even begin to have to an impact on those businessmen and business people in this country. They simply upped their prices. Who is there to protect the consumers in Trinidad and Tobago? Who is there to protect them? So a man makes a million dollars overnight by simply a mark-up; he just changes his price and we the consumers have to bear it.

Mr. President, I am saying essentially that the Government would have to level with the population and become more frank in its projections. Because if we are to develop in this country and if we are to move forward and not stand still, we need to get that kind of sincere discussion and dialogue going. We do not want this regime to fall in the same trap of the last regime. We would like not to. But it seems to us here that everything is being done to follow the same path. We talk about consultation. What does consultation mean? What does it really mean? In our view consultation, particularly in the preparation of a budget, means that you must have, for instance, the input of the major social sectors in the preparation of that budget if you are serious about consultations. So that when you start to cut as the Minister admitted—he was not even aware that the allocations to the Family Planning Association had been reduced from \$9,000,000 to \$250,000. So there are

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technocrats and bureaucrats just chopping and cutting without understanding the social impact and the social costs of those cuts they are making. And that is what happened in the last regime, they just cut COLA. They did not care about the social impact of it. They suspend people's salaries coming here and using the majority in Parliament and just moving in a kind of crazy manner.

This is what I believe this regime has to attempt to avoid because if you really have to engage in serious dialogue and engage in serious discussion towards the construction of a better society and a more fair and just society, we must be able to discuss matters very frankly and very sincerely. On this issue of the Excise Duty on Petroleum Products, we want to warn the Government again of the consequences of their action and they must indicate to this population in no uncertain terms what plans, what preparations are being made to subsidize or to assist the ordinary people of Trinidad and Tobago in dealing with this particular matter.

Mr. President, as you are no doubt aware, there is a Minimum Wages Order that was issued in 1991.

Mr. President: I do not know if that has relevance.

Sen. W. Mark: Mr. President, it is because there is a link between the increase in petroleum products and the capacity of people who are working to subsist. Imagine, Mr. President, you are paying \$1.00 or \$2.00 a day to travel from Port of Spain to San Juan and the fare has now been increased. Let us take Morvant. It was \$2.00 from Port of Spain to Morvant, that fare has now increased to \$2.50, but your salary/wage has not shifted. So there is a link between the increase in excise duty on petroleum products and my capacity to subsist and exist as a worker in the country. So I am seeing a direct link.

Mr. President: You had ample opportunity one week ago to deal with the implications of the general fiscal policy of the Minister of Finance. Today, we are here merely to give confirmation to the measures that were proposed which were already debated in full.

Sen. W. Mark: I was taking a clue from your guidance that we are here to debate this matter as well, and not merely to confirm. I am certain that you are not here to ensure that I would rise or anybody on our side would rise just simply to confirm a matter. We have to at least draw the necessary links on this particular matter and show the country, through you, how these things are going to impact on their living conditions. I feel certain that there is a link.

Mr. President, you know I always take your guidance.

Mr. President: You already referred to the question of COLA; I allowed that. A little stray here and there, one can understand, but do not belabour the point now, you have to stick to pros and cons.

Sen. W. Mark: Maybe I will have another opportunity to deal with the minimum wages issue. Maybe under another motion.

Mr. President, suffice it to say that the Government would need to really give us some appreciation and I would really like the Minister to do so. If he cannot he must admit that. He must tell this country and this Senate how much the cost of living is going to be increased as a result of, this measure alone for instance. We are not going to re-open debate on the budget, but give us an indication. So that for instance, people who are exploiting consumers innocently as a result of the increase in excise duty on petroleum products you can send a warning to them, because in many instances there is no justification for the astronomical increases that we have seen.

Diego Martin taxi fares increased from \$2.00 to \$3.00. What is the justification for that? Not 25 cents you know, not 50 cents, not even 75 cents, but by a whole dollar. You know what that means to people who are working for \$150.00 a week under the Minimum Wages Act in Trinidad and Tobago, or working in a store down Frederick Street? Mr. President, whereas for the week you would have had to put away \$40.00 to travel, now you have to put away something like \$75.00, or a little less than that to travel. That is eating into your moneys and, therefore, you have to eat a little less food. This is the point I am making and, therefore, we need to understand that this motion on the Excise Duty (Petroleum Products) Order is impacting on people's capacity to live in the country. These are some of the points I wish to draw to the Minister's attention so that he could give us an appreciation of really what to expect.

I would have expected that the Minister would have taken the opportunity in his presentation to at least issue some kind of statement to the population particularly, the drivers and tell them, "look, we are going through a crisis, we have to make adjustments; we have to increase petroleum taxes or the prices of petroleum products and, therefore, exercise some kind of care". But the floodgates have been left open and flood is in the town. Everybody is increasing fares and I am saying it is going to impact on the ordinary people more than any

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other persons in the country. I really feel that the Minister of Finance ought to take this opportunity, even now at this late hour, to appeal to taxi and maxi drivers, to exercise some more care in that particular arena because it is hurting ordinary people very, very much.

2.10 p.m.

It is one of the ways of trying to stabilize the tension that is going to increase in the country. The industrial relations climate is going to get worse, because when you take moneys from my pocket—I have to pay more taxes. I did not ask for it, it was imposed on me and I have now to pay more money to travel. I am using myself as an example, but what about the ordinary people outside there who have to travel by taxi?

We have to be concerned about these people and, therefore, we must issue a call as a Parliament for restraint if we are concerned about people. That is the point I am making. It appears to me that it is business as usual. You say one thing and do something else. You care, but you do not care. That is the point I would like the Minister to focus on and make an announcement to tell the population whether or not they really care. You see, we have no controls in this country any more. What we are doing in Trinidad and Tobago is freeing up the economy and the society, so everybody is doing his own thing. That is madness. We know in this Chamber we have freedom and we also have a responsibility and we cannot go overboard. So you cannot free up the economy. You are freeing up this and that, decontrolling this, deregulating that and who is feeling the pinch?

I would not want to spend too much time on this matter except to emphasize the importance of the Minister taking a very serious look at this particular motion and issuing some kind of guidance to the population—the taxi drivers in particular who are having a field day. I am not against taxi drivers but I think that it is time that we exercise some restraint so as to assist the travelling public, who have not had any increases in salaries, in many instances for the last 10 years—in fact, what they have experienced are cuts in not only their wages, but their fringe benefits—and who are yet to see any light at the end of the tunnel. Many of them expected to see some hope in 1992, but they were rudely disappointed as a result of some of the measures that were taken in this 1992 Budget, and as reflected in this particular measure.

In closing, I would like the Minister to level with us because he has a unique way of either dodging issues or simply ignoring Senators' concerns on this side.

Many issues were raised during the last debate and most of them were ignored. I hope that he will take the opportunity this time to respond to some of our concerns and to at least level with the population so that the Government could appear to give the people, who are at the very rough end of the line, some kind of appreciation and some kind of hope that they not only care in words as their manifesto so vainly boasts, but at least they really care in deed.

There will be ample time on other motions for me to develop some points I would have liked to, but given your guidance on the matter, I will now rest my case.

Sen. Everard Dean: Mr. President, I empathize with the last speaker because I too know that already the increase in the prices of gasoline and diesel are biting into the pockets of the people, moreso affecting the pensioners and those persons qualified to receive social assistance. I suspect in the weeks and months ahead that this trend will intensify causing some inflationary signals. As a matter of fact, I am told by some of my colleagues, that the inflation is expected to rise this year somewhere in the vicinity of 4 and 6 per cent.

I would like to take a different approach to this by referring to page 24 of the PNM's manifesto where it outlines a number of things that they intend to do for consumer protection. I would want to appeal to the Government to put the Minister of Consumer Affairs and Social Services to work on this part of the manifesto almost immediately. I think there are five or six areas mentioned in that, which I will not quote, and I would hope that the Minister concerned will get the message and try to do some of the things stated under the heading "Consumer Protection".

The Credit Union League of Trinidad and Tobago, as the national organization of credit unions, is already setting in train a consumer watchdog committee to ensure that some of our unscrupulous business persons do not attempt to take advantage of the increases in petroleum products and make unreasonable price hikes. We will also be looking at the co-operative approach to bulk purchasing in order to reduce the cost of goods and services to our members. So we will be looking at it from a co-operative perspective and trying to implement in our way some kind of consumer protection, but it will need the support of the Government, as outlined in their policy document.

We also considered the countervailing effect of decreased demand as a result of the rise in prices, because if people do not have the money, they cannot

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purchase the goods and services at those higher prices. And if the persons affected by this decreased demand cannot support the cost of the operation of their businesses which produce these goods and services, then obviously some of these small businesses will be squeezed out.

For example—and I would want to allude to the reference made by the previous speaker—with the increase in the price of petroleum, the taxi driver is faced with higher costs. If the price of his fare stays as it is because he cannot increase it to meet his increased cost of maintenance, then he will go out of business, resulting in another person joining the ranks of the unemployed. Indeed, any rationalization done in this manner is likely to affect the small business person who is struggling in his small enterprise to make two ends meet. It is said that when you struggle to make two ends meet, somebody just comes and pulls away the other end. Notwithstanding all of these negatives, the credit union movement will continue to provide productive loans to our members in order to stimulate the needed growth in the economy, as we see this as a real alternative to the situation at present.

2.20 p.m.

Sen. Muntaz Hosein: Mr. President, in my contribution, in particular, dealing with the increase in petroleum products, I can see the cost of locally produced food in addition to the cost of foreign food rising in price, as one will appreciate that the farmers who produce food for the nation must use trucks, vans, tractors, *et cetera*, all of which must use petrol to power them.

At the retail end, gas is now costing some 25 per cent more. It is no secret that the farmers in Trinidad and Tobago have for many years been really struggling to make ends meet. They have been struggling against all kinds of odds, including flood. When it rains, there is too much water and when there is a lack of rain, there is drought. We have all of these problems and to compound them now with an increase in petrol, it is obvious that the price of food will rise. But if the price of food rose to an extent where the people who have to buy it cannot afford it, you have another problem on your hands. It may remain and rot. Therefore, the farmer will lose out again. So anyhow you look at it, Mr. President, it is the poor man on one end and the poor farmer at the other end who are going to suffer as a result of the increase in petrol.

Sen. Mark mentioned the labour end of it. I wish to inform you, Sir, that there is a business end as well that is going to suffer. Right now in the country, the

small and medium-sized businesses are hanging on a string. There is a serious shortage of funds in the country, as you know; interest rates are spiralling. There is a real problem facing the small business people and medium-sized business people, whereby it is very possible in the near future that their overdraft may be reduced because of the lack of liquidity in the system. This does not impact heavily on the large businesses, because they can afford to carry the brunt of it since their capital base is heavy. The small and medium businesses cannot afford it, because in most instances they are under-capitalized; they do not have the resources or assets to cover that.

When you look at a 25 per cent increase in freight—and it will be more than that, this is only petroleum products, gas alone; you have oil; you have everything else that goes with it—you have a profit margin, then you can readily see what kind of problems we are facing. If you have a small or medium-sized business hanging on a string, just trying to make ends meet and the businessman is now faced with an increased cost in borrowing to find extra capital to run his business at the same level of 1991, I am sorry to say that the Minister of Finance is going to have on his hands many closures of small and medium-sized businesses. Many more people are going to be put on the breadline and this is a situation that is not going to help us.

Mr. President, our people have been making sacrifices for quite a number of years, of which you are well aware, and we are called upon again to make more sacrifices. The gut feeling of the man in the street and the business people is that we do not mind making sacrifices, but we must know where we are going and that is the biggest problem. We cannot see the light at the end of the tunnel and this is where it hurts. I think the Minister of Finance has a responsibility to the nation to point in the direction of the light at the end of that tunnel. Unless he can demonstrate this to the nation he will find that these sacrifices will not bear fruit; these sacrifices will not be taken in the way in which he would like them to be taken. I advise that he should include that in his reply.

One must look at the impact and one must see that petroleum cost is not simply people getting to and from work. That has its own impact. For the small and medium-sized businesses, they have not been able to give their workers increased salaries for the last three or four years because it just was not on the cards. Business was at a very low ebb. So that if their goods and services which they must buy with the same salary have now increased, it is only natural that you

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are going to have people coming at you for increased wages. Therein lies a major problem which we must avoid at all costs, but I do not see how we can avoid it under these circumstances.

So that if one wanted and had the wherewithal at this time to borrow that extra money which was required to keep business at the 1991 level, he would find that he could not do that because the money is just not there. We are going to find that business—and I hate to say this, but I must say it—is going to be contracting during 1992. I hope I am wrong, but I have spoken to all of the economists, armchair as well as those at the university, and they all agree.

If that is the case, as a natural course to follow that will be unemployed; a further increase in the unemployment rate. This is the reason we on this side of the House have difficulty in supporting the increase in petroleum products. We cannot sit here and agree to the increase. We will have to vote against this measure because it is against our conscience. It is against the good of the country. Whatever is against the good of this country, we will vote against, as we will vote for anything that is for the good and welfare of this country, regardless of who puts it forward. The increase is not good. I say, Mr. President, that the Minister of Finance should have looked for more innovative ways of raising money.

I alluded in my budget presentation to the fact that the Minister should look at collecting taxes that have not been collected for years and years. We need to collect those moneys and look at innovative ways. I do not understand the logic of the Minister of Finance when, on the one hand, he professes to want to open up and provide more jobs, but he taxes the very businesses which must provide those jobs. I do not understand that. All of the books I have read, none of them support that theory at all.

I do not understand how anyone who is interested in helping the poor people of this country will bring forward measures in this House to make those very people poorer and more destitute than they are now. I have to say that we on this side of the House will vote against the petroleum increase. Thank you.

The Minister of Finance (Hon. Wendell Mottley): Mr. President, there is no gainsaying that the increases in excise taxes, particularly on the petroleum products, will have an effect on the ordinary citizens. It is quite clear and we have never, on this side, pretended otherwise. However, we have clearly stipulated that this was a revenue measure in the budget, and while attempting to raise revenues, we have attempted, through several measures to ameliorate the effects that the

particular measure may have on the life of the ordinary citizen. It is for that purpose that we have only a relatively smaller increase of 10 cents on diesel fuel, a higher increase on gasoline, recognizing that most of the public transport vehicles today operate on diesel fuel, quite apart from pointing in the long-term direction which was the CNG, we did something immediate, that is to contain the increase on diesel fuel because of the impact that had on the public transport. At the same time, we took immediate steps, even with the limited resources that were available in the public transport system, to put in immediately or within the next few weeks, at least, a limited school bus service. So that all of this was designed to contain some of the effects that this measure might have on the ordinary citizen.

There is, of course, outside of “people” transport, effect and, after all, it was designed as a revenue measure.

Other Senators have made the point that sacrifices are being called for. This is certainly true and we have not again hidden this fact. We have gone to great lengths to point out the conditions under this particular measure as put before this House, and that I do not propose to go into again, because I think that was fully aired on another occasion. The measure does not stand in isolation; it stands in the context of the situation which we met in Trinidad and Tobago which the country has to be cognizant of and which we are now trying to control and manage. So I would say no more on the broader issues that were raised here in relation to this particular measure.

I would only add that certain matters were laid as to why we did not choose to deal with this revenue effect by looking elsewhere. That, again, was for discussion at another stage. At this stage, focusing purely on the measure, we are confident that we can control the deleterious effects, hold them to a minimum, and we are confident that the revenues that we have forecast from this measure will be realized.

Mr. President, I beg to move.

Question put and agreed to.

Resolved:

That the Excise Duty (Petroleum Products) Order, 1992 be confirmed subject to the following amendment:

In paragraph 2, delete the item “Diesel oil... 17 cents per litre” and substitute the following items:

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“Auto diesel oil 17 cents per litre
Marine diesel oil 7 cents per litre”.

EXCISE DUTY (ALCOHOLIC BEVERAGES) ORDER

The Minister of Finance (Hon. Wendell Mottley): Mr. President, I beg to move the following motion standing in my name:

Whereas it is provided by sub section (2) of section 13 of the Excise (General Provisions) Act, Chap. 78:50 that the Minister May by Order impose any new excise duty or increase any excise duty and from the date of publication of the Order in the *Gazette* and until the expiry thereof the duties specified in the Order shall be payable in lieu of the duties payable prior thereto; and

Whereas it is provided by the said subsection that every Order issued under the subsection shall, after four days and within twenty-one days from the date of its first publication, be submitted to the Senate and House of Representatives confirm, amend or revoke such Order, and upon publication of the Resolution of the Senate and House of Representatives in the *Gazette* the resolution shall have effect and the Order shall then expire; and

Whereas it is expedient to confirm the said Order:

Be it resolved that the Excise Duty (Alcoholic Beverages) Order, 1992, be confirmed.

Question proposed.

Question put and agreed to.

Resolved:

That the Excise Duty (Alcoholic Beverages) Order 1992, be confirmed.

EXCISE DUTY (TOBACCO PRODUCTS) ORDER

The Minister of Finance (Hon. Wendell Mottley): Mr. President, I beg to move the following motion standing in my name:

Whereas it is provided by subsection (2) of section 13 of the Excise (General Provisions) Act, Chap. 78:50 that the Minister May by Order impose any new excise duty or increase any excise duty and from the date of publication of the order in the *Gazette* and until the expiry thereof the duties specified in the Order shall be payable in lieu of the duties payable prior thereto;

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And whereas it is provided by the said subsection that every Order issued under that subsection shall, after four days and within twenty-one days from the date of its first publication, be submitted to the Senate and House of Representatives and the Senate and House of Representatives may by Resolution confirm, amend or revoke such Order, and upon publication of the Resolution of the Senate and the House of Representatives in the *Gazette* the Resolution shall have effect and the Order shall then expire;

And whereas the Excise Duty (Tobacco Products) Order, 1992 was made under subsection (92) of section 13 of the Excise (General Provisions) Act, and first published in the *Gazette* on the 18th day of January, 1992; and

Whereas it is expedient to confirm the said Order:

Be it resolved that the Excise Duty (Tobacco Products) Order 1992, be confirmed.

Question proposed.

Question put and agreed to.

Resolved:

That the Excise Duty (Tobacco Products) Order 1992, be confirmed.

**CUSTOMS (IMPORT DUTY) (CARICOM COMMON MARKET)
(No.2) ORDER**

The Minister of Finance (Hon. Wendell Mottley): Mr. President, again I beg to have motions 4 and 5 considered together. Mr. President, I beg to move the following motion standing in my name,

Whereas it is provided by section 7(1) of the Customs Act, Chap. 78:01, that the President may by Order increase or reduce any import or export duties of customs or impose new import or export duties of customs and from the date of publication of the Order in the *Gazette* and until the expiry thereof, the duties specified in the Order shall be payable in lieu of any duties payable prior thereto;

And whereas it is provided by section 7(2) of the Customs Act that every Order issued under section 7(1) shall, after four days and within twenty-one days from the date of its first publication be submitted to Parliament, and Parliament may by resolution confirm, amend or revoke such Order and upon publication of

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resolution of Parliament in the *Gazette* the resolution shall have effect and the Order shall then expire;

And whereas the Customs (Import Duty) (Caribbean Common Market) (No. 2) Order, 1992 was made under sections 7 and 10 of the Customs Act and first published in the *Gazette* on January 18, 1992;

And whereas it is expedient to confirm the said Order:

Be it resolved:

That the Customs (Import Duty), (Caribbean Common Market) (No.2) Order, 1992 be confirmed.

Mr. President, under the Treaty of Chaguaramas which established the Caribbean community and the common external tariff, member states agreed not to apply any fiscal charges to imported goods from within the region. This is embodied in section 12 of the Customs Act, Chap. 78:01. However, where fiscal charges apply to domestic goods, the member states may apply equivalent charges to similar goods imported from within the region.

Mr. President, as a result of the increase in excise duties on alcoholic beverages and tobacco products, the Customs Import Duty (Caribbean Common Market) order 1992, was published on January 18, 1992, imposing customs duty on alcoholic and other beverages and on tobacco products. The purpose of this motion, therefore, is to confirm that Order.

Mr. President, the whole purpose of all of this is to make sure that we did nothing by the previous motions that would make our goods uncompetitive. So we are merely bringing Caricom duties in line to conform with the excises that have been imposed so that our local manufacturers are not put at a disadvantage.

Mr. President, I beg to move.

Question proposed.

Sen. Muntaz Hosein: Mr. President, to speak on the import duties from Caricom is a painful exercise. I know that the Minister of Finance will know of this, because the Minister of Finance was once a Minister of Trade and Industry in a previous Government and had intimate knowledge of the workings of Caricom.

For a very long time, Trinidad and Tobago has been the “bobolee” of the Caricom region. For too long. We play by the rules, Mr. President, and too many

of the other countries in Caricom do not play by the same rules. If we are going to play any kind of game, as you will appreciate, it is imperative that we all play by the same rules.

I wish to bring to the attention of this honourable House that other member states of Caricom blatantly flout the rules of Caricom. I wish, with your permission, Sir, to read for this honourable House, an article appearing in the *Trinidad and Tobago Mirror* of Friday, January 31, 1992.

It reads:

“Sabga trapped in million dollar fridge scam. Trade Minister Brian Kuei Tung has been asked to investigate the real origin of a line of products available at all of Anthony Sabga’s Standard Stores. The alleged double labelling of a number of fridges available for sale could very well be an attempt to hoodwink Trinidad and Tobago out of millions in customs duties, industry sources claim.”

Mr. President, this is only one example of what has been happening in Caricom. It has been happening in Antigua, Grenada and St. Lucia, whereby several items have been flouting the Rules of Origin of Caricom. I can tell you, Mr. President, that we investigated garments coming from Antigua, where the entire garment came from a Far Eastern country, Taiwan to be exact, went to Antigua, and was labelled “made in Antigua”. That is all they did; sew on a label. It was so blatantly done that even the thread used for sewing on the label was of a different colour than the thread used on the entire garment. It was so blatant. I know the Minister of Finance is aware of that, because this has been an old issue, from a long while ago. I am disappointed that it has not been stopped. This is what is going on in Caricom, the Rules of Origin have not been adhered to by many of those who signed the Treaty of Chaguaramas.

2.50 p.m.

Mr. President, money is owed to this Government amounting to \$1.553 billion, or thereabout, and we are “scrutning” in this country. We are asking our people to make sacrifices because we want to play by the rules, and quite rightly so. We want to pay our debts, and quite rightly so, but we want to collect this money.

Only a day or so ago I heard a news item that said Guyana wants to make an arrangement to pay the debt. But how nice to hear that, but the conditions might shock you. They will pay off the debt. But we must invest the money in Guyana in

Guyanese dollars. That is how they want to pay us. I wonder, Mr. President, if it is not a good time for our Minister of Finance to open this issue with the IMF, since the countries which owe us money in the region have similar IMF programmes. Could we not open that issue and see whether we cannot have a tit for tat situation? We may have to do some bargaining, some pushing and shoving but, perhaps, in the end it might be worthwhile.

So that, the whole Caricom needs to look at itself once more. Is it viable. Do we really want it? If so, then we must decide that we must all play by the same rules. As far as I am concerned, our Government—even the Government before—played by the rules and I am proud of that. The only fault, in my view, is that we allowed the other members of Caricom to treat us like a "bobolee". Mr. President, with all due respect, I wish to point out to the Minister of Finance that it is about time we stop taking licks and you will find that we on this side of the House will support him 100 per cent if he stands up and says, enough is enough. We want our money. No matter how small it is, give us something back and let us play by the rules. Let us get a monetary committee, which we tried many years ago when the present Minister of Trade was the Minister of Trade. But they would have none of it. A monetary committee to make certain that the rules of origin are not flouted. And today we see the same thing happening again, and look at the level at which it is happening.

I know, Mr. President, that the Members on the other side will have great difficulty dealing with this one. Great difficulty! I know that. Because these people have gone on record as having financed the elections of the other side. So with great interest I am going to be looking to see how they deal with this. These are not my words, these are the words of the people themselves who said that they did it as a public service. That is what they said. Some public service!

Mr. President, we on this side of the House will support this move. Yes, we will support it, but we wish to let the House know that we are not going to support it *carte blanche*. We want to make certain that the interests of the citizens of Trinidad and Tobago are protected, and that we are not taken for a joy ride. We want assurances from the Minister of Finance that this is not going to take place, and I feel pretty sure—he seems to be in that kind of mood today—that he will make sure that this does not happen to us. Thank you very much.

Sen. Kwabene: Mr. President, on this issue of the Caribbean Common Market, I would like to raise the whole issue of economic integration in the

absence of cultural co-operation. Mr. President, the whole issue of the Caricom is presently endangered because of the fact that we are overlooking the whole issue of cultural co-operation. I believe that without cultural co-operation there can be no economic integration. I am suggesting to Senators that if we do not seriously tackle the issue of Carifesta, we are going to be faced with a very serious problem as far as economic integration is concerned here in the Caribbean. Mr. President, we are already overlooking the necessity to stage Carifesta here in this country; and here we are speaking about a Caribbean common market.

Mr. President: Before you go too far, I know the subject is very topical and there may be ways and means of raising nearly everything in Parliament. But we have to do things within reason. To have a full-fledged contribution on the question of Carifesta is going to pose a little problem for anyone who tries to do that in this particular debate. A little passing reference is permissible, but not a full-fledged contribution supporting the holding of Carifesta. Thank you.

Sen. Kwabene: Thank you, Mr. President, I respect your guidance. But I would like to close by saying that without cultural co-operation there can never really be any true economic integration. Thank you.

The Minister of Finance (Hon. Wendell Mottley): Mr. President, I think Sen. Hosein will know, on the points that he has raised, that during the life of a previous PNM Government, strenuous efforts were made to protect local manufacturers, as this particular motion here now attempts to do—to keep Trinidad and Tobago on an equal footing. I do not think that he will find the situation any different with this particular Government and with that particular Minister, Sen. Kuei Tung, in this House. I only find it passing strange that Sen. Hosein should be concerned to recover US \$500 million from one Caricom member, while another Member is anxious to spend \$50 million on another aspect of Caricom. But that is just in passing.

3.00 p.m.

Mr. President, the facts are that Trinidad and Tobago manufacturers have benefited, by and large, from the existence of Caricom. Trinidad and Tobago has been consistently a considerable net exporter into the Caricom region and we should not belittle the certain economic benefits of the Caricom Treaty. This measure is designed, as I have repeated, merely to keep the footing equal and I am glad to hear that other Members will have no difficulty in supporting the motion.

Question put and agreed to.

Resolved:

That the Customs (Import Duty) (Caribbean Common Market) Order, 1992, be confirmed.

CUSTOMS (IMPORT DUTY) (CARIBBEAN COMMON MARKET) ORDER

Mr. President: We would go on to move formally motion No. 5. Do you have an amendment to the motion?

The Minister of Finance (Hon. Wendell Mottley): Mr. President, in keeping with the amendments which were made to the motion for confirmation of the Excise Duty (Petroleum Products) Order, 1992, similar amendments are required to the motion now standing before this House. Approval is therefore sought to amend the reference to 7 cents per litre in relation to marine diesel oil, to 10 cents per litre, and to add at the end of the motion:

"This Order comes into operation on January 18, 1992."

Question, on amendment, put and agreed to.

Mr. President, I beg to move the following motion standing in my name:

Whereas it is provided by section 7(1) of the Customs Act, Chap. 78:01, that the President may by Order increase or reduce any import or export duties of customs, or impose new import or export duties of customs, and from the date of publication of the Order in the *Gazette* and until expiry thereof, the duties specified in the Order shall be payable in lieu of any duties payable prior thereto;

And whereas it is provided by section 7(2) of the Customs Act that every Order issued under section 7(1) shall, after four days and within twenty-one days from the date of its first publication be submitted to Parliament, and Parliament may by resolution confirm, amend or revoke such Order and upon publication of the resolution of Parliament in the *Gazette* the resolution shall have effect and the Order shall then expire;

And whereas the Customs (Import Duty) (Caribbean Common Market) (No. 2) Order, 1992 was made under sections 7 and 10 of the Customs Act and first published in the *Gazette* on the 18th day of January, 1992;

And whereas it is expedient to confirm the said Order:

Be it resolved that the Customs (Import Duty) (Caribbean Common Market) (No. 2) Order, 1992 be confirmed subject to the following amendment;

- (a) in paragraph 2, delete the item "Diesel oil... 17 cents per litre" and substitute the following items:
 "Auto diesel oil...17 cents per litre
 Marine diesel oil...10 cents per litre.
- (b) after paragraph 2, add a commencement clause as follows:
 "Commencement— 3. This Order comes into operation on 18th January, 1992".

Question proposed.

Question put and agreed to.

Resolved:

That the Customs (Import Duty) (Caribbean Common Market) Order, 1992, be confirmed.

**OLD AGE PENSION
(VARIATION)**

The Minister of Finance (Hon. Wendell Mottley): Mr President, this motion was passed in the other place on Friday, January 31, 1992, and certain amendments were made. I therefore seek the approval of this House to amend the motion as follows:

- (a) Insert the following new second recital immediately after the first recital to read as follows:—
 "And whereas it is provided by section 3, subsection (4) of the Old Age Pensions Act, that the amount of monthly food subsidy paid under subsection (1) of that section may be varied in a manner similar to that provided under section 3(3);"
- (b) Add the following words at the end of the original second recital:—
 "and the amount of the monthly food subsidy."
- (c) Add the following words to the end of the Resolution:—
 "and the amount of the monthly food subsidy is increased from fifty-five dollars to sixty-one dollars."

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I beg to move the following motion:

Whereas it is provided by section 3(3) of the Old Age Pensions Act, that the amount of monthly paid pension under subsection (1) of that section may be varied by resolution of the Senate and the House of Representatives;

And whereas it is considered expedient to increase the amount of the monthly pension:

Be it resolved that the amount of the monthly pension be increased from two hundred and sixty dollars to two hundred and eighty-six dollars and the amount of the monthly food subsidy be increased from fifty-five dollars to sixty-one dollars.

This resolution is deemed to have come into operation on the 1st day of January, 1992.

Mr. President, as was indicated when the budget speech was read in this House, this Government introduced measures in view of the continuing need for adjustment in Trinidad and Tobago, both past and continuing, for citizens who were unprotected, citizens who could not otherwise help themselves and who were in danger of becoming further marginalized. It was felt necessary, in view of the philosophy of a caring Government, that we put in place certain protections that were deemed necessary in view of this continuing process of adjustment.

This measure is not aimed at being the total support for this particular category of persons who we see in need of assistance from the Government. It is not meant as a measure to provide total subsistence for this group of persons. It is merely an added benefit to persons who have come to the end of their working lives, and who, because of their circumstances, may not have provided adequately for their retirement. This measure, old age pension, would be there as a supplement. Therefore, this additional supplement to the supplement is now being put in place in view of all that has transpired in Trinidad and Tobago, the continued rise in the cost of living and the requirement into the future for further adjustment.

It is through this measure, therefore, that we see assistance being meted out by a Government that has the responsibility, while going through this process of adjustment, to make sure that we address the concerns of those of our citizens who cannot help themselves. It is in this vein that I ask the House to accept the measure. I beg to move.

Old Age Pension (Variation)
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Question proposed.

3.10 p.m.

Sen. Carol Merritt: Mr. President, taking into consideration that this matter has been dealt with at so many levels, I have to address it again, because, on a daily basis, you see the suffering out there, of the senior citizens in our nation.

The increase that the present Government has proposed for the old age pensioners, personally, I know it is not sufficient. I am saying this based on the experiences I have from meeting old age pensioners on a daily basis; the problems that they experience in adjusting to the increasing prices in our nation.

The Minister of Finance said that the increase is a supplement to whatever income an old age pensioner might be getting, but what he failed to realize is that there are many old age pensioners in Trinidad and Tobago who do not receive any additional income and they depend solely on what the Government is giving them on a monthly basis.

The increase from \$260 to \$286 per month is definitely insufficient, when you take into consideration that this is a new era in our country where some old age pensioners are heads of households in which there are young males and females who are unemployed; and they have to provide, on a monthly basis, food, goods and services and clothing.

I think everyone in the country should know that on a monthly basis to run a household in Trinidad and Tobago will cost approximately \$3,800 for food, drink, clothing, accommodation, fuel and lights, household supplies, medical, transportation; you cannot include entertainment because definitely we cannot even think about entertainment on sums that most people are getting at present.

We in the UNC hold as our founding principle the belief that the purpose of mankind's existence is happiness. We believe that God, in His infinite mercy, made man to be happy. Without happiness, life has no meaning. With existence on \$286 per month, old age pensioners cannot have any happiness for themselves, not even taking into consideration their dependants.

The cost of transportation has increased due to the increased cost of petroleum products. You cannot say that the old age pensioners will depend on the free bus passes for the PTSC buses, since those buses do not operate regularly. I particularly had to help out an old woman recently. When I met her she said that it was late, she had missed her bus and she had to get home. I assisted her by giving her the maxi fare to get home. These are daily occurrences where people cannot provide transportation to get about to do their normal daily duties.

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The malnutrition and vagrancy problems are going to increase in this nation due to the increases in food and goods and services. When I say vagrancy, most old age pensioners, if they did not provide beforehand, have to rent. With the sum that they are receiving at present, they cannot afford to pay their monthly rents, and the landlords, somewhere along the line, would evict them. Then that would be another family or person on the streets of Trinidad and Tobago.

I am pleading this cause for the old age pensioners because I am seeing the suffering daily. This is a reality; therefore, it is not unrealistic to ask for an increase for them. Their medicine costs quite a lot of money and most of them use prescribed drugs. There has not been any removal of the VAT from prescribed drugs; and the Minister was not specific in outlining from which over-the-counter drugs VAT will be removed.

The removal of VAT from school books is welcomed but it is on a yearly basis that parents have to buy books. Books cost a lot and regardless of the removal of VAT, it is still going to be very costly in September to purchase those books. The old age pensioners are not affected by this unless they have young ones to send to school. This is an occurrence too, where many of the old age pensioners today are taking care of their grandchildren. Due to unemployment in the country, many young people are migrating to North America and Europe, leaving their young ones in the charge of old age pensioners. That is how they become heads of households today, and they have to provide for these young ones.

Another area I should like to highlight again is the exorbitant medical fees. Owing to the lack of services at the health institutions, many of them have to go to private practitioners to be attended to. If we seek to address these problems at our health institutions, maybe that would help to erase some of the pain of the old age pensioners.

One of the questions that you on the other side might ask is where the funds will come from to provide more for the old age pensioner. I put forward the view that if the Government would seek to house most of their ministries and state enterprises into government-owned buildings, they would realize a saving from rental that could be generated into the old age pension fund. This is a recommendation from me to help alleviate the problems of the old age pensioners.

The increase that the Minister has prescribed for the old age pensioners will not help in any surmountable way; \$26 per month will not make any difference in this day and age. While the Government has increased the funds for them, the

other cost of services has escalated. Inflation has risen a great deal, so we on this side should like to put forward an amendment to the Government's motion as follows:

- (a) Add in paragraph 2, after the word "increase" appearing in line 1, "the income ceiling to qualify for old age pension."
- (b) Delete the words "two hundred and eighty-six" appearing in lines 3 and 4 of the third paragraph of the said motion and substitute the words "five hundred."
- (c) Add a new paragraph to read:

"Be it resolved that the present ceiling of four thousand, eight hundred dollars per year to entitle a person to old age pension be increased to twelve thousand dollars per year."

Thank you, Mr. President.

3.20 p.m

Sen. Wade Mark: I rise to express my reservations on the proposed increase by Government to old age pensioners in Trinidad and Tobago. One must wonder whether in fact that 10 per cent increase is really an increase or whether it is not a superficial effort on the part of the Government to smoothen over the anticipated increase in the cost of living as a result of their draconian, fiscal measures announced in the 1992 Budget. In fact, it is my understanding, and the Minister will have to correct me on this, that normally what takes place in the Ministry of Finance whenever the cost of the measures is being calculated is that the Government always attempts to lower the height that is anticipated in the cost of living. If for instance the Government expects the cost of living to increase by 10 per cent or 15 per cent, the normal strategy would be to increase old age pensions by the same amount—10 to 15 per cent. It might really be a hoax being perpetuated on this country and Government will have to indicate whether this is true, whether it is a real increase or whether it is a superficial increase in that particular area.

Mr. President, the Government continues to talk about how it cares. In fact, sometimes you wonder if it is not really a careless Government, and not a caring Government. We have over 61,000 senior citizens in this country who are now in receipt of Government pension. It is forecast that by the year 1995 we would have

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population between the age range of 15 and 30 totalling about 138,000 people. In Trinidad and Tobago after 30 years of PNM rule, five years of NAR rule and another possible five years of PNM again, not a single geriatric home has been built in this country. We depend basically on charity to keep the elderly and the senior citizens of this country alive, but you come to this Parliament in 1992 and increase by 10 per cent old age pension and you say, "Well look here, that is the best we can do. No more money." We cannot find money. It is difficult to locate money. There are senior citizens in this country who have bus passes—and they just have bus passes, they are of no use.

The last regime almost crushed the PTSC, almost buried it. So senior citizens have bus passes and they cannot travel on buses, and then you have these luxury liners that senior citizens have brought down and they have to pay to travel on those buses. What is the sense in having those bus passes? In fact, the management of PTSC in a strategic plan for the revitalization of PTSC had incorporated in their recommendations the withdrawal of the bus passes from the senior citizens of our country. So when you say you care, you have to be very careful.

If after labouring in this country—because what is happening is that many senior people who are helpless, some of them are homeless, some of them are destitute, have contributed in some way or the other to the development of Trinidad and Tobago. We are all going to be old one day. Some of us will even die before. The reality is that we must give serious consideration to the elderly. Pension is one thing. That is one matter. What about seeking to establish facilities to take care of those elderly people in our country? You and I would know, Mr. President, that when people get old even their children neglect them, therefore you need to have centres of communication. You need to establish structures and facilities in order to give those senior people of our country some hope. They have contributed, and so many of them have become vagrants in this land. What is sad about it is that we have many people in this country drawing three and four pensions at the same time whilst, senior citizens of this land are being given a meagre pittance. And merely to ensure that they do not succumb to the tidal wave of inflation in this country they are given a 10 per cent increase; a meagre increase; and then you tell us you cannot find money.

Do you know what is a well-balanced diet in Trinidad and Tobago and what it costs to have it? When you give people a \$1.06 increase on what they have been

receiving and you take into account the sky-rocketing cost of living, people, particularly our senior citizens, will be caught in the poverty trap. And who is to rescue them? What you get is excuses.

I have been able to compile some information on the basic diet that is required to keep the average citizen healthy and well in Trinidad and Tobago. There is an institute called the Caribbean Food and Nutrition Institute located at UWI, they do these calculations very often, and I want to draw to the attention of this Senate what is meant by a basic diet, what is meant by a balanced diet.

You require basic staples—cereals like flour and rice—you will require what is called some starchy food and fruits as well as sugar. Those constitute the staples. Then you need some legumes—kidney beans. That is a balanced diet, if we are talking about ensuring that the senior citizens of this country live in decency and dignity in their twilight years. We need some vegetables as well as some fruits, and of course you need protein in this diet. Those things are necessary to generate energy. I am talking about a basic diet which is about 2400 calories per day and you know what that would cost you now? It would cost you roughly about \$5.50 just for one person. An old age pensioner is getting \$347 now as a result of the measures introduced. Do you know what percentage of the money that person would have to spend on food? We are not talking about cooking; we are not even talking about the gas that they would require to cook the food, just the basic staples—it is about \$5.50. That constitutes just about 50 per cent of what they receive on a daily basis as a result of the total of \$347.

3.30 p.m.

If we are talking about food and we are talking about taking care of the senior citizens, there is a general position that food should not constitute more than 25 to 30 per cent of your basic income—in the case of the pensioners and so on, it is \$347. You have a situation where some of these pensioners have to spend almost 50 per cent of their meagre pension on food. This is why in Trinidad and Tobago today poverty is so serious. Over 300,000 people in Trinidad and Tobago live under the poverty line, and when you take into account that those senior citizens, because of the nature of this economic system that allows the rich to become richer and the poor to become poorer—under the last PNM government, the last regime and under this regime, the structure of the economy has remained fundamentally the same. The owners of capital are still in charge.

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What I am arguing here is that the meagre increase that the Government is offering is really scratching the surface. They have no money but they can find moneys to pay an English QC \$17,000 a day, which, at the end of the day would cost us \$4 million. Do we not have the talent here? We are importing talent. This is the same nonsense that took place under the last regime. The dependency syndrome is deep in the psyche and it seems to run through our veins just as our blood does. If you read the *TNT Mirror* of Friday, January 31, 1992, the kind of allowances that these people are going to enjoy, Trinidad and Tobago is really a heaven for them, a paradise. The Government says it does not have money; that is all the Government can afford at this time and if it could have done better, it would have.

You see, we have to deal with the reality. If the PNM wants money, they can get money. Gambling is a big industry in this country which generates over \$0.5 billion, maybe more on an annual basis, and the Betting Levy Board had proposed to this Government—although the Betting Levy Board was constituted by the last Government—that they should charge a total fee of \$500,000 to the race pool owners. There are six of them; six families control all the race pools in this country; monopolies in terms of racing.

On page 33 of the 1992 Budget Speech, it is stated that the Government is going to impose a levy of \$200,000 annually per outlet operated by the holder of a betting office licence in lieu of the existing tax of 25 per cent on all bets at fixed odds.

This Government has reduced the sum that was proposed by the Betting Levy Board from \$500,000 to \$300,000—\$100,000 for a licence, which you are supposed to pay up front and \$200,000 annually per outlet operated by the holder of a betting office licence. That is what they have done. So \$200,000 has gone, so that they can operate with the racehorse owners as if they had a deal with the racehorse owners. McAl has admitted through its managing director, Jackman, that it sponsored the PNM. So the PNM is indebted to them. I should like to find out if they are also indebted to the race pool owners as well. Do you know what it means? It means that \$6 million that could have come into the Consolidated Fund has now gone through to the race pool owners because of this Government's decision not to accept the recommendation of \$500,000. Now, if that is not corruption—and they have now come to power, and they have begun to pay their masters. The old saying: "He who pays the piper calls the tune".

3.40 p.m.

I have more to say on this. It is a scandal that this Government could come and tell this Parliament that it cannot increase old age pension beyond what it has done when it has reduced the quantum of moneys that it was supposed to take from these race pool owners. What is taking place? I should like this Minister of Finance, or maybe the Minister of Industry, Trade and Tourism to indicate to this Senate whether what I say is wrong. Because I have hard evidence on this matter. Why is it they ease up some and they put pressure on others? What is the reason for that? Do you know what these people are even proposing? They are proposing that these race pool owners, instead of paying their licence up front and paying the \$200,000 up front, should pay in instalments on a quarterly basis. So every quarter you pay \$50,000 and you get your \$200,000 at the end of the year. When they are supposed to pay the money up front, this PNM Government eases them up. And the Government has now come to power!

This is a most scandalous situation, and I believe the Minister has to clear the air on this. You cannot come here and tell people you do not have money to pay old age pensioners, but six families who control the racing industry in this country are getting away with murder. Senior PNM Ministers are involved in this. I will not call names, because I would not use the privilege of Parliament to do that now. I will wait for another occasion. So they cannot come here and tell us that they have no money. We do not accept that. We have an amendment here, and we speak in support of this amendment.

I am convinced that what we have had is nothing more than the changing of the guard. It is business as usual. The same corruption that manifested itself under the last and the previous government is re-emerging. In fact, beyond any shadow of a doubt, there is an alliance between this regime and big business, and the conspiracy is to squeeze poor people. They can run, they can hide, but they are going to be exposed for what they are.

I hope very much that I would not have to take this to another level and that they will do the proper thing and tell this Parliament and the country why they refuse to accept the recommendation of the Betting Levy Board to raise the fees to \$500,000 going for \$300,000 instead and denying the Treasury of close to \$6 million annually. They must tell the country that. As I said, senior people are involved. I am not prepared to call names at this time. I will do that on another occasion, and when the moment is more propitious.

I do not accept any argument on the part of the Government that they do not have the capacity to at least help old age pensioners to up that meager \$347. I do

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not accept that, they should do everything in their power to put their house in order and make sure that where there is room to tax the rich, they tax them. they have to carry some portion of the burden of adjustment. You cannot put the burden of adjustment on the backs of the poor, the dispossessed and the destitute only. You have to share the burden of adjustment equitably. This is a clear manifestation of injustice and corruption and scandal in this new administration. They just came to power and have started to bob and weave and somersault and bend their knees to big business but only this time it is not the conglomerates, the McALs and the Neal and Massys; it is now the race pool owners, six families that are in charge of the race pool business in this country.

Mr. President, as I am on this issue, I just want to indicate to you as well that so vicious is this particular circle, there is something you may not even be aware of but I will bring to your attention. You see, in the racehorse business—because I have to give I some clarification on this matter—there is something called TOBA. TOBA simply means the Trinidad Off-track Betting Association that came into existence almost a year ago. There are 23 such outlets in the country. That association employs more than 160 people.

Mr. President: I appreciate the arguments you have been making money could be found to increase the old age pension. But I think you could reserve the details and the history of this Trinidad Off-track Betting Association for a more appropriate time.

Sen. W. Mark: Mr. President, what I am saying, essentially, is that the government can, in fact, if they wish, locate money to ease the pressure on the poor and the weak and the lame, and put pressure on the strong and the rich and the powerful. I am not saying you put all the pressure on them; it would ruin them, and we do not want to ruin them, but we want to ensure that they carry an equitable portion of the burdens in our country. You cannot progress in this country. You cannot progress in this country if you put all the pressures on the backs of the small people and let the rich off the hook. But I shall leave it to the Minister of Finance. He has an opportunity today to indicate to this Senate and to the country at large why his Government—because the Minister of Industry, Trade and Tourism is aware of what I am talking about.

The Minister has a copy of the report of the Betting Levy Board. He knows about it and if he knows about, it, the Minister of Finance has to know about it. I am simply saying he must tell this Parliament why it is his Government refused to

allow \$6 million to come into the consolidated Fund of our country to help old age pensioners instead of allowing it to go into the pockets of race pool owners.

Mr. President, before I take my seat at this time, I second the motion.

Seconded by Sen. Wade Mark.

Question proposed.

Mr. President: Hon. Senators, there is an amendment proposed by Sen. Merritt, seconded by Sen. Wade Mark. The amendment relates to the motion that appears at No. 3 on the Order Paper. The wording of the amendment will make sense if you read it against motion No. 3 on the Order Paper.

The amendment is as follows: Add in paragraph 2, after the word “increase”, appearing in line one, “the income ceiling to qualify for old age pension and”, so that the second paragraph of the motion will now read:

“*Whereas* it is considered expedient to increase the income ceiling to qualify for old age pension and the amount of the monthly pension”.

Second amendment proposed is to delete the figures “286” appearing in line 3 of the third paragraph of the said motion and substitute the figures “500” and add the following paragraph at the end:

“*Be it resolved* that the present ceiling of \$4,800 per year to entitle a person to old age pension be increased to \$12,000 per year”.

Members are free to talk both on the original motion by the Minister and the amendment proposed by Sen. Merritt and seconded by Sen. Wade Mark.

Sen. Rev. Daniel Teelucksingh: Mr. President, I rise to support the amendment proposing a further increase to the old age pensioners and widening of the qualifying net to \$12,000.

If the Government can find \$496.9 million to add to those who already have “relatively good salaries”, then I believe they can find the money to support the elderly among us. It is a pity this was not an election promise also.

Many years ago, we devised a means of raising funds. Just glancing over the years I remember two devices, a mechanism called the Unemployment Levy and another one called the Health Surcharge. I believe we can devise another means of funding and getting the community involved. Possibly I am just thinking of a community fund for senior citizens. I should like to pay a little of my salary, and I get the feeling that if we were forced to pay unemployment levy and health

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surcharge, many of us would be very happy to contribute to a community fund for the maintenance and well-being of the senior citizens among us.

I support the idea of widening of the qualifying net. It disturbs me very much and—I know the Social Welfare officers have been doing their job; they are expected to visit the homes of the elderly people; they are to exclude certain persons, the aged, the old person who sits by the wayside and sells dinner mints or fruit; he is excluded; he could not qualify under the present regulations. I see something in these, our elderly people, whom we exclude from this net, sitting and selling by the wayside, or in front of their homes or under the old mango tree. This is a kind of small business, provided by those beyond age 65, something that the younger people need to admire.

I believe that this has provided for the elderly a much needed income in times like these. They are also providing a social service. The person in our community who sells newspapers has to get up so early with all his physical ailments, and make sure that four o'clock in the morning he gets his newspapers to supply the community. And he is one of those persons who are denied old age pension, all because he can do something like that.

I want you to know that this kind of self-employment adds meaning to their life, because we have visited too many of those homes for senior citizens, but these are really places where they are relegated to die in loneliness. I think it would be a very good thing for our society to encourage such persons to be engaged in such endeavour; which provides a kind of social interplay that is so very important. It will save this country much more, rather than having them vegetate and possibly die somewhere, as we recently had one die on the pavement in Port of Spain.

Also, I have looked upon these people who have been excluded because of the present pension regulations, who I believe can provide an inspiration to so many of our young people who feel that it is a disgrace to do some of the menial jobs. We talk about employment; this kind of service is much needed in our community, and the old people have been providing that kind of service to us, and I believe that if we widen the net to include some of them, thereby allowing them to continue this kind of life, meeting people, being free to move as they like, it would be a tremendous social service.

I believe the time has come, and I would strongly suggest that the Minister responsible for this particular department work along with the Minister of Finance to find a way of asking some of us to make a contribution to the support and maintenance of the elderly among us. Thank you.

The Minister of Finance (Hon. Wendell Mottley): Mr. President, the arguments that have arisen on the other side largely dwell on the matter of insufficiency of the payment that has been provided. I do not think that there is any dispute that old age pension is a good measure, and that the increase that this motion is bringing is going in the right direction. But I think that the thrust of the arguments coming from the other side has been that it is insufficient. That is the first argument: insufficiency. Because of that, Sen. Merritt has proposed an amendment that will seek both to widen the base that allows entry into his benefit, as well as increasing the actual amount of the benefit up to \$500.

We too would have liked to go along with that amendment. In different and more amenable financial circumstances, we would certainly have been the first to propose it, because the Government of which I am a member and previous governments that have sprung from the PNM have a long history of increasing the provisions under this Old Age Pensions Act. But again I draw Senators back to the tenor of the budget in which we were trying to stabilize the economy of Trinidad and Tobago under difficult circumstances. We had the business of fiscal rectitude to address, while at the same time, understanding that measures had to be put in place to look after those who were falling by the wayside.

Those falling by the wayside are not only the aged. There is the whole matter of unemployment. We have only been able to put \$90 million in the budget to deal with unemployment relief, while we have put \$301 million to deal with old age pensioners. So that to argue that we should provide another \$200 million, which would be the cost of Sen. Merritt's amendment, to bring it up to \$500 million, while it would be nice, it would not be responsible in light of the whole situation. For that reason, we on this side cannot go along with the amendment.

It must also be put in the context of where others have been seeking, not to sustain increases as is the matter now before us, but to forestall cuts. We have heard eloquent arguments in this Senate about cuts in the Family Planning Association's budget. I have had eloquent letters from Servol about cuts. Only yesterday, I met with the hon. Prime Minister, with the Tobago House of Assembly on cuts, as well, whereas, today, we are arguing about increase and that, therefore, should cast this whole matter in some kind of framework.

Other arguments have been advanced that we could have financed increases. It has been argued that there are other measures that we could have looked at that could have seen the Government raising more revenue. I did not hear Sen. Mark complain when we increased the corporate tax by 5 per cent. Again, Sen. Mark has chosen to raise the matter of why we did not collect more money from a tax

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on bets. I believe that Sen. Mark has not been fully briefed. He has been partially briefed on that matter, and it is a dangerous situation to be partially briefed.

The facts are that the last government created a Betting Levy Board. I should like Sen. Mark to know that the Betting Levy Board is a construction that allows for taxation on bets and racing pools, the proceeds of which flow to the Betting Levy Board, and the Betting Levy Board turns over half of those proceeds to the Government to go to the Exchequer; the other half goes to support horse racing.

Therefore, there is the contention of interest, because there is betting, which is one industry, and you can bet on horses, you can bet on dogs; you can bet on local races, you can bet on overseas races. Betting is an interest, an industry, separate from horse racing. So there is a contention of interests between betting people and people who own horses and racehorses. So that I contend that Sen. Mark was only partially briefed by those who have an interest in one camp rather than in the other.

The Government is keen to preserve revenues, and is keen, therefore, to impose a level of taxation which, in its view, would increase over time and not kill the goose that was laying the eggs. In our estimate, we imposed a level of taxation which was higher than had been previously arranged in the ministry under a different administration which we felt would see larger revenues accruing to the Betting Levy Board, half of which would come to us and half of which would go to the horse racers.

There are those who argue that the tax should have been a lot higher and that the Government would have benefited, and that those who racehorses would have benefited, as well. But others argue that it would have killed off certain numbers of outlets, particularly in rural areas, and that we would have been worse off. It remains to be seen.

Sen. W. Mark: Could the Minister of Finance, indicate whether it is a fact that the Betting Levy Board proposed a \$500,000 increase and has Government chosen to reduce it to \$300,000, comprising \$100,000 for licence and \$200,000 annually? I want to know whether that is fact.

Hon. W. Mottley: It is also a fact, Mr. President, that \$1 million was proposed. I have the Minister responsible and he can verify that. We in the Ministry of Finance had to sit between the several opposing parties and parry. So it is a fact that \$1 million was proposed and it was also proposed a lot lower. The figure that we eventually settled on, we felt, was at this time in the best interest of

all parties. But I can only let you know, Mr. President, that this is a highly contentious matter between parties who have very distinct and opposing interests.

It is not to say that all of the revenues accrue to Government. I think if the other side understands that, they will understand the whole story. Half of the revenues go to an interested party. Therefore, I would say that in the circumstances, in addressing this particular matter, the Government felt that they acted to secure on their own part the highest revenue possible in the circumstances as we were able to adjudicate.

Sen. Mark: Would the Minister again clarify a point? Could he indicate whether, for instance, the licence really is \$100,000 and the arrangement that he has indicated of \$200,000 annually are supposed to be paid up front, and why is his Government now proposing that the \$200,000 be paid on a quarterly instalment basis?

Hon. W. Mottley: Yes, Mr. President, Sen. Wade Mark is correct in that the structure of the tax as agreed by the previous administration was that there was a licence fee of \$100,000. Then there was a tax of 25 per cent on bets. Now, because of difficulties in collecting that 25 per cent on bets, the previous administration had discussions and they had settled, apart from the \$100,000, on a fee of \$175,000 to replace the 25 per cent on each bet. We said we would increase it to \$200,000 in place of the percentage on each bet.

Now, since it was replacing a fee on each bet which will accrue as time goes on, this fee accrues on the first day of betting, January 1, January 2, March 5, August 31, *et cetera*. It would be unreasonable, since it was replacing that, to charge \$200,000 up front the first day. Had the previous arrangement subsisted, the moneys would have come in, dribble, dribble, dribble, dribble, throughout the rest of the year, as the bets were placed; we decided to have quarterly instalments payable in arrears. So that is the logic that we used to arrive at that \$200,000 paid quarterly in arrears, because it replaced a tax that would have been collected virtually right up to December 31, in any one year.

Sen. W. Mark: Mr. President, would the Minister indicate to this Senate whether there is a conflict of interest involving senior PNM Ministers on the one hand and the Betting Levy Board which could have constituted the crisis that he has mentioned? And to what extent is he aware that there is, in fact, a certain development existing in the race pool owners in which, for instance, some senior PNM Ministers have links and connections?

I have more to say on this. It is a scandal that this Government could come and tell this Parliament that it cannot increase old age pension beyond what it has done when it has reduced the quantum of moneys that it was supposed to take from these race pool owners. What is taking place.

Hon. W. Mottley: As far as I am aware, Mr. President, I am not so aware. This is a matter that the Ministry of Finance dealt with in consultation with the Ministry of Industry. I am not aware of any conflicts.

4.10 p.m.

Mr. President, if I could go on, the matter of the pensions is one on which I think the House will understand, this Senate will understand that resources are limited, that we may attempt to pursue revenue-raising measures. But certainly, as we heard on this very day, as we attempted to raise revenues in a certain direction, there are always deleterious effects, and the matter is never a simple one—raising revenue is never a simple or easy task. In all of these circumstances, I believe that hon. Members of this Senate will see it fit to vote on the amendment as the Government has put it and seek to postpone the amendment as Sen. Merritt has put it, hopefully, until not too distant. Better days might be nigh. Mr. President, I beg to move.

Mr. President: Hon. Senators, we have, first of all, the motion as amended moved by the Minister. But subsequent to that we have an amendment moved by Sen. Merritt and seconded by Sen. Wade Mark. I have to put that amendment moved by Sen. Merritt and seconded by Sen. Wade Mark first.

The question is that the amended motion moved by the Minister of Finance be amended by adding in paragraph 2, after the word "increase" appearing in line 1, the words "the income ceiling to qualify for old age pension and" Secondly, delete the words "two hundred and eighty six" appearing in line 3, of the third paragraph of the said motion and substitute the words "five hundred"; and further add the following paragraph:

Be it resolved that the present ceiling of \$4,800 per year to entitle a person to old age pension be increased to \$12,000 per year.

Question put.

The Senate divided: Ayes 10 Noes 16

AYES:

Mark, W.

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Capildeo, S.
 Baksh, S.
 Kwabene, R.
 Merritt, C.
 Hosein, M.
 Ali, H.
 Dean, E.
 Mahadeo, C.
 Teelucksingh, Rev. D.

NOES:

Saith, Hon. Dr. L.
 Huggins, Hon. R.
 Barnes, Hon. B.
 Kuei Tung, Hon. B.
 Yuille-Williams, Hon. J.
 Draper, Hon. G.
 Mark, A.
 Callender, S.
 Ojah-Maharaj, D.
 Elder, J.
 Kuarsingh, Dr. H.
 Rahael, J.
 Gosine, Pundit R.
 Hassim, A. M.
 Mansoor, M.K.
 Rooks, J.C.

The following Senators abstained: Prof. J. Spence, D. Mahabir-Wyatt and M. Daly.

Mr. President: The amendment moved by Sen. Merritt is, accordingly, defeated. I will now put the amended motion moved by the Minister of Finance.

Be it further resolved that the amount of the monthly pension be increased from \$260 to \$286 and the amount of the monthly food subsidy be increased from

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\$55.00 to \$61.00. This Resolution is deemed to have come into operation on the 1st day of January, 1992.

Question put and agreed to.

Resolved:

That the amount of the monthly pension be increased from \$260 to \$286 and the amount of the monthly food subsidy be increased from \$55.00 to \$61.00. This Resolution is deemed to have come into operation on the 1st day of January, 1992.

Motion made and question proposed, That the Senate do now adjourn to a date to be fixed by the President. [Hon. L. Saith]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 4.16 p.m.