

*Leave of Absence*

*Tuesday, September 21, 1993*

**SENATE**

*Tuesday, September 21, 1993*

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 to Sen. the Hon. Dr. Lenny Saith to be absent from today's sittings due to illness. I have also granted leave to Sen. Martin Daly to be absent from sittings of the Senate during the period September 24 to October 5, 1993, as he will be out of the country.

**CONDOLENCES**

**Mr. President:** Hon. Senators, as I indicated during the ceremonial opening, one of our colleagues, Sen. Dr. Harry Kuarsingh, departed this life. We were only able to observe a minute's silence at the last sitting and, as I advised, we would have tributes paid at a subsequent sitting. I now invite Senators who so desire to pay tribute to our former colleague, the late Dr. Harry Kuarsingh.

**The Minister of National Security (Sen. The Hon. Russell Huggins):** Mr. President, hon. Senators, it is only appropriate that I rise first to pay tribute to one of our dear colleagues, Sen. Dr. Harry Kuarsingh, who departed this life recently.

There is not much that one could say about Harry, as he was more popularly known by those on the Opposition Benches, as a result of the frequent timely and quite correct interruptions he made during their irrelevant contributions at times. I think that fact alone speaks volumes about the departed Senator. He was a man who was well versed in the Standing Orders of this Chamber; particularly, the one which was most often quoted in support of his rising. We on this side will miss Sen. Dr. Kuarsingh dearly, *moreso*, because we have been seeking a replacement in the same mould as Sen. Dr. Kuarsingh to deal effectively with the Opposition Benches. Let me assure you, Mr. President, it is a very difficult task. But we are still looking around. He was a man who was not only well loved by his colleagues in the Senate, but he was well loved by all Members of the People's National Movement. That he will surely be missed cannot be doubted.

On behalf, therefore, of the Government Senators present, I wish to extend to his family our heartfelt condolences, with the hope that the pride that Sen. Dr. Kuarsingh brought to this Senate will forever be remembered.

I thank you, Mr. President.

*Condolences*

*Tuesday, September 21, 1993*

**Sen. Wade Mark:** Mr. President, Sen. Dr. Harry Kuarsingh, one of our fine and outstanding Senators, is with us no longer. A geologist by profession, Sen. Dr. Kuarsingh was admired and respected by all Members of this Senate. In spite of our constitutional responsibility required of us by law on this side of the Senate, healthy and mutually respectable relations were always maintained between Harry and our side, both inside and outside the precincts of this Chamber.

Popularly referred to as the "waving blue-book man" by us on this side, Harry never hesitated to rise in his normal agile, jovial and jocular style to caution, and even sometimes threaten to invoke many provisions of the Standing Orders in an effort to ensure that our side was not infringing or violating the rights of his colleagues or even his Government. Those regular interventions were taken in stride.

An ardent and staunch Member of the Senate, Sen. Dr. Kuarsingh contributed meaningfully to the quality of many and varied debates. In spite of his size, Harry was an extremely hard worker and we understand a very brilliant organizer.

Sen Dr. Kuarsingh's untimely death came as a shock to each Senator in this Chamber. We are firmly convinced that the Senate would be poorer with his sudden passing. To his bereaved wife and children; to his extended family and many friends, we on this side extend our deepest, sincerest and profound heartfelt condolences even at this belated hour. May Almighty God have mercy on him, and may his soul rest in peace.

Thank you very much, Mr. President.

**1.40 p.m.**

**Sen. Michael Mansoor:** Mr. President, we moan today and pay tribute to Harry Kuarsingh, a warm and caring person whom all of us had grown to respect and love. We shall remember his many timely and constructive contributions to this Senate and the passionate sincerity of his convictions. We shall remember moreover his special flair for combining with his most telling thrust against an opponent, a quality of boyish charm, perhaps even of innocence that endeared him to all of us. We shall also remember his deep seated fascination with the Standing Orders which perhaps by design, he used to derail exuberant Senators who from time to time waded into issues that affected him. Harry, was to all of us I am sure a lovable and engaging colleague, perceptive and astute.

*Condolences*

*Tuesday, September 21, 1993*

On a personal note, I must say that he sought me out from time to time to get my views and to share his views on a wide variety of subjects and in these private discussions, I had impressive glimpses of the quality of a man who generally placed the public good above his personal interest and whose commitment to the service of the people and to the national well-being was unquestionable.

I would submit that all of us Senators have learnt from him and have been enriched by his presence in this Senate.

Mr. President, on behalf of the Independent Senators, I offer our sincere condolences to his wife, family and friends. We shall remember Harry Kuarsingh with fondness and respect for the things for which he stood. We shall remember him for the good man that he was.

Thank you.

**Mr. President:** Hon. Senators, I would like to associate myself with all the remarks made by the Speakers on behalf of the respective parties and groups in the Senate. I have already made some comments and I wrote his widow conveying my condolences and those of the Members of this Senate. You are aware that we stood in silence for one minute at the last sitting.

I would ask the Clerk of the Senate to get the transcripts of these tributes paid to him well typed and forwarded to his bereaved widow. Harry would be missed by everyone. Whenever he spoke the Senate came alive. If anybody was carrying the Senate in another direction, he would bring it alive by a timely intervention.

I believe a very promising political career has been nipped in the bud, but I hope that his death would not be in vain and that the worthy example and high standard that he set will be followed by others who have to fit in his shoes.

Thank you all for paying this tribute to him. I am sure that those words of condolence will be appreciated by his bereaved family.

#### **FINANCE (NO. 2) BILL**

Bill to amend the Income Tax Act, the Corporation Tax Act, the Stamp Duty Act, the Council of Legal Education Act and the Old Age Pensions Act, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

*Motion made*, That the next stage of the Bill be taken at the next sitting of the Senate. [*Sen. The Hon. R. Huggins*]

*Question put and agreed to.*

*Paper Laid*

*Tuesday, September 21, 1993*

**PAPER LAID**

Report of the Auditor General on the accounts of the Sport and Culture Fund for the year ended December 31, 1991. [*The Minister of National Security (Sen. The Hon. R. Huggins)*]

**TRADE (AMDT.) BILL**

*Order for second reading read.*

**The Minister of Trade, Industry and Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. President, I beg to move,

That a Bill to amend the Trade Ordinance 1958, No. 19 of 1958 be now read a second time.

The matter before this honourable Senate is, as the Explanatory Note indicates an amendment to the Trade Ordinance, the objective of which is to give the Minister to whom responsibility for prices control and the Prices Commission is assigned, the authority to deal with all matters concerning the price of goods and services.

In introducing this Bill, I would like to place it in context of the trade and economic reform programme which the Government of Trinidad and Tobago has set in train. This programme, as hon. Members are well aware, is aimed at the freeing up of the economy so that a number of policies, measures and mechanisms which may have been applicable in a previous era and which with experience have been found to be inappropriate, have had to be adjusted in order to meet present day demands.

Accordingly, several areas have been addressed in the course of the implementation of the trade reform programme. Chief among these was the reform of the trade regime which included the removal of as much as 95 per cent of items from the negative list and their replacement by a system of tariffs.

In addition, import surcharges and stamp duties have also been applied as a means of providing temporary additional protection which will be phased out by December 31, 1994. This protection was intended to provide manufacturers in particular with a soft landing or a cushion against the effect of the removal of the negative list. The imposition of the import surcharge was intended to give them a period of about two and a half years during which they would be required to ensure that they can meet the import of foreign goods fairly and squarely. It meant that they had an opportunity to ensure that they became price competitive as

regards the importation of foreign goods and more importantly, that they can achieve quality standards in the face of foreign competition.

Moreover, the Common External Tariff which at present has a maximum of 35 per cent, as agreed by the heads of government last year will be phased down to 20 per cent by 1998.

Another relevant area relates to the scheduling of prices. Price control was established at a time when it had become necessary to keep the prices of basic commodities as low as possible to the average consumer. It also served to prevent market exploitation by enterprises which had been created by the protection given to manufacturers in the industrialization drive. These enterprises came very close to becoming a virtual monopoly in the sense that they were allowed to operate in a market in which there was no competition, namely foreign competition which previously, the consumers of Trinidad and Tobago depended upon. In order to curb any tendency towards monopolistic practices, price control was used as a mechanism to achieve this.

In the case of lower income groups, it served to protect as far as possible, their purchasing power and so enable them to continue to buy basic commodities. Most of the items that are price controlled were basic food commodities which were directly subsidized by government at the time. In the past, this programme involved the setting of price control on as many as 35 different items.

### **1.50 p.m**

In some instances, the system became even more complex in that there were different brands, there were different sizes and, as a result, different prices for some items. One example of this is milk, for which at one time there were as many as 36 brands on the schedule, 15 different sizes and over 150 different prices.

For example, Mr. President, for powdered milk there were at least eight different classifications; there was instant, there was non-fat dry. In the case of instant, there were as many as 20 different brands with 12 different sizes; in the case of non-fat dry, there were two brands with five different sizes; there was full-cream in which there were 29 brands, with 15 different sizes. There was quarter cream, there was skimmed, the low fat skimmed, there was skimmed milk, and finally, there was instant non-fat skimmed milk. Thirty-six different brands with a maximum of 15 different sizes, giving rise, as I said, to 150 different prices that each had to be completed by the Prices Commission. More recently, the majority

*Trade (Amdt.) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, September 21, 1993*

of these items has been removed from the schedule to the extent that at present there are only five items listed. The five items that are currently on the schedule include rice, counter flour, sugar, pharmaceuticals and school books.

Other areas which constitute a part of the economic restructuring package include tax reform, the divestment of state enterprises, the investment sector reform and the liberalization of the exchange rate and the floating of the Trinidad and Tobago currency. These measures which I have identified, therefore, will provide an environment that is competitive in nature, thereby allowing market forces to operate in as transparent a fashion as possible while Government, at the same time, will keep a watchful eye on developments to ensure that the population is not at a disadvantage, particularly, the more vulnerable groups in our society.

Government is convinced that the opening up of the economy will bring several benefits. In the first place, the control mechanisms which were applied were at the best of times difficult to monitor except at an inordinate cost in terms of both time and money. The mechanisms gave rise, therefore, to undue manipulation and uncertainty as a result of the discretionary powers that were provided and also resulted in an inconsistent application of these policies over the years.

In other words, the environment became fraught with difficulties as in the case of the granting of import licences, or led to the establishment of the black market situation in terms of prices and price control. Consequently, by liberalizing these aspects of the economy, it is now possible for the various economic agents to operate in a much more transparent environment, thereby allowing the exercise of greater choice and, at the same time, eliminating as far as possible, the direct influence of the state in the decisions to be made by the consumer.

Associated with the implementation of the programme of liberalization, is the need to erect a social safety net to accommodate the members of the community who are being adversely affected by these measures. In this regard, you may recall that the hon. Prime Minister quite recently referred to a report on social conditions in Trinidad and Tobago, which was prepared by the Inter-American Development Bank and which is expected to provide a number of measures which the Government can implement as a means of reducing the cost of adjustment.

Previous to this, the Government had initiated action in this area. For example, there have been measures to:

- (i) Increase old age pension.
- (ii) Expand the School Feeding Programme.
- (iii) Increase the food subsidy component to old age pensioners and public assistance recipients.
- (iv) Reduce customs duties on a number of prescription drugs.
- (v) Provide income tax relief for all taxpayers whose annual chargeable income does not exceed \$16,000.
- (vi) Establish the social help and rehabilitative effort programme which is expected to provide an average of four thousand meals or food hampers on a daily basis.

Mr. President, what I sought to present today, is an indication of the complete package of Government's programme for the restructuring of the economy. Apart from the fact that in the process of its implementation, it is expected that there will be a restoration of economic growth, as the hon. Prime Minister said, some of the measures that are being pursued will have the major effect of substantially reducing prices of a number of items.

The prices of goods and services will continue to be monitored by the Government, as well as those items which have been taken off the Negative List. Decisions in respect of items which remain on these lists will be taken after careful consideration at the appropriate time.

In moving this amendment, let me assure this honourable Senate that it is not Government's intention to do away with price control at this time. Whereas price control may appear to be in conflict with our liberalization programme, we feel it remains as a significant mechanism to ensure that prices remain in equilibrium as far as possible. In other words, in circumstances in which market forces do not achieve proper price balance, we feel that we will resort to the Prices Commission and the prices control as a measure of last resort.

It is, therefore, our hope that merchants and businessmen will continue to demonstrate their sense of responsibility by ensuring that prices are not just affordable but are within the reach of the average consumer. I say that, Mr. President, because we are on record that we will not, as the Government, tolerate indiscriminate and unscrupulous practices such as profiteering; we are prepared to use the mechanisms and the strategies that we have available to us to ensure that

*Trade (Amdt.) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, September 21, 1993*

prices continue to be within the reach of the average home owner and the average income earner, today.

Mr. President, I should also like to mention—*[Interruption]*

**Sen. Prof. Spence:** Mr. President, the hon. Minister has not mentioned anti-dumping legislation which I think is part of the package. Has the concept been dropped? Secondly, could he explain what he means by profiteering in a free market system? I do not know how one profiteers in a free market system.

**Sen. The Hon. B. Kuei Tung:** Mr. President, it is not that the anti-dumping as a mechanism has been dropped. As a matter of fact, we have recently developed our draft regulations and on a final check by some of our technical people we realize that some of it may have been bordering on conflict with the General Agreement on Tariffs and Trade (GATT). For that reason I have not brought it here. It is not that I have left it out of the list. We are concerned particularly about unfair trade practices, and the unfair trade practices legislation is the one that seems to be giving us a little more difficulty in achieving. I can assure the hon. Members of this House that the anti-dumping legislation is very much a part and parcel of one of the mechanisms that we intend to keep in place to achieve the balance that we need with this structural adjustment programme.

**2.00 p.m.**

Mr. President, I would also like to assure this honourable Senate that price controls and the items on the negative list remain two schedules that are of particular concern to the Ministry of Trade, Industry and Tourism, and even though this amendment now places the Prices Commission under the Ministry of Consumer Affairs and Social Services, it does not mean that the Ministry of Trade, Industry and Tourism intends to turn a blind eye to the question of prices. That Ministry has a responsibility to ensure that trade practices remain fair. Profiteering cannot, by any stretch of the imagination, be considered a fair practice and, therefore, both the negative list and price control are kept under close scrutiny to ensure that there is as much fair play and as much levelling of the playing field as possible.

Mr. President, I beg to move.

*Question proposed.*

**Sen. Muntaz Hosein:** It is nice to have the President remember my name. But what is in a name? A rose called by any other name would be just as sweet. Even a brute called by any other name would still be a brute.



Mr. President, I expected an indepth study of prices in Trinidad and Tobago from the hon. Minister. The population would have liked to hear from the hon. Minister why it has to pay these high prices today, what he is doing about them, and how he intends to get these prices down in the future. Instead, Sir, we got—and I am very grateful to him for bringing up trade reform—he has virtually opened the floodgate for us today. *[Interruption]* Thank you, Mr. Minister. I have been looking forward to that.

The objective of the Bill seems to be giving a shift in the responsibilities of price control and the Prices Commission from one ministry to another. It says in the Explanatory Note:

"...to avoid the many delays that are presently experienced in administering the statute".

I thought the Minister would have spoken about some of these delays. When one reads the Explanatory Note and listens to the Minister, however, one must ask a few questions. Is the Minister controlling prices in Trinidad and Tobago? Do we have a Prices Commission? If so, who are its members? When did they last meet? What effects did the floating of the Trinidad and Tobago dollar have on consumers, especially pensioners, people on fixed income, factory workers and people living below the poverty line?

Mr. President, with your leave, I would like to quote what the IDB recently wrote regarding citizens of Trinidad and Tobago who are living below the poverty line. It seems to me that this figure increased by 300 per cent. One must ask: What action has been taken to control prices in this country? What effect did the increase in gasoline prices have on these people we are talking about? Did the Government look at the impact? If so, what impact did these measures have? If not, why not? What was the reason? Was the real reason for moving the responsibility from one Minister to another simply an error, or was it because of the competence of the Ministers involved? This is what I have been told, that the shift really has to do with the competence of the Ministers involved. If we are talking about prices, one must see what the PNM had to say in their 1991 Manifesto.

The People's National Movement likes to make reference to its manifesto. It likes to say that it is keeping faith with the people in its manifesto. With your leave, Mr. President, I shall read from page 14 of the 1991 Manifesto of the People's National Movement where it says:

*Trade (Amdt.) Bill*  
[SEN. HOSEIN]

*Tuesday, September 21, 1993*

"exempt medicines, school books and a wider range of basic foodstuffs from the VAT net and protect the low income taxpayer from its application with the ultimate intention of lowering the rate of Value Added Tax."

I do not understand what is meant by "ultimate", there is no time frame there. Is it that this would be done by 1996 or would it be done in 1995? It certainly has not been done at this particular time. I would advise, however, that this be done quickly, because after 1996 there would be no opportunity to do so.

Let us examine what the hon. Prime Minister said last Sunday about prices. I read from the *Daily Express* of Monday, 20 September, 1993. The Prime Minister says prices are coming down:

"Prices in Trinidad and Tobago will begin coming down from next year, according to Prime Minister Patrick Manning.

Speaking to the PNM Women's League, Manning said that with the coming of the Common External Tariff (CET) prices would be going down in 1994, 1995, 1996, 1997 and by 1998 they would 'fall flat'."

I wonder to what prices the hon. Prime Minister was referring. Was he referring to food? Was he talking about shelter or clothing? I wonder whether the Prime Minister considered the exchange rate when he was talking about CET. Was that considered? Or was the Prime Minister taking a very simplistic view of these prices coming down? Does the Prime Minister realize that there is something called a "profit margin"? Did he consider the higher prices people are now paying for gasoline and how that would affect prices in the future? Is he telling us that there would be a stable exchange rate so that he can predict with certainty? This statement seems to be a statement of certainty, if this is accurate. I must say "if" because I am not sure. Or, Mr. President, like Prime Ministers before him, is it a con job that he is trying on the population of Trinidad and Tobago? These are relevant questions that we must ask. Let us look and see.

### **2.10 p.m.**

Today, Mr. President, September 21 in the *Express* there is an answer to the Prime Minister here. I am reading from page 7, Sir. "The PUC says don't expect cheaper electricity" which is in direct contrast to what the Prime Minister is saying to us. "PUC says electricity rates will not be reduced..." and goes on to mention the reasons gas prices are an important factor in the electricity rates. Did our Prime Minister not understand that? Did he forget it? Will this Government stop fooling

the people, Sir? Will they understand that the more they "mamaguy" people is the higher their expectations and the more problems they will get later on?

I sought to advise this Government, very early last year, on that same issue of "mamaguying" people—giving people false hope—and the consequences that will flow therefrom. But they will not listen, Sir. They will go on "mamaguying" people and stand the consequences eventually.

Let us examine what our dear, lovely Minister, who I have the pleasure to see here in the Senate today, has done. She always makes the Senate a nicer place—beautify that other side. They do need it. I read now from the *Trinidad Guardian* July 8, 1993:

Minister says "You have to 'shop around'."

"Consumers are recapturing the spirit of 'shopping around' for goods instead of buying the first products seen or presented. This was stated by Consumer Affairs and Social Services Minister, Dr. Linda Baboolal in the Senate on Tuesday."

She was responding to my debate on this matter. Unfortunately, in those debates, Mr. President, there are no rebuttals, therefore I could not deal with that effectively. But, Mr. President, who are we talking about 'shopping around'? The Minister is here and perhaps she would join the debate. To whom was she referring? Are we talking about people under the poverty line? How are they going to shop around? If we are talking about unemployed people, pensioners, are they going to shop around? The candle will cost more than the funeral. You have raised the price of gasoline. I advise the Minister to go into the areas and see how these people live to understand them and she will know what to say and what not to say. How are they going to shop around?

These people buy from the neighbourhood shops/parlours. They cannot afford to read the papers and go down to HI-LO in Port of Spain to buy one or two items, if they live in Laventille. They would have to pay transport to do that. How are they going to do this shopping around?

The problem here is, Mr. President, the Minister may have been addressing the upper-income level people in Trinidad and Tobago. I have no problem with her addressing them, but she must say so. Because they are the ones who can go to the supermarket with a calculator and check the prices. That is what we have come to in Trinidad and Tobago for fear that by the time you get to the checkout counter

*Trade (Amdt.) Bill*  
[SEN. HOSEIN]

*Tuesday, September 21, 1993*

you have to put back some of the groceries. So these people go with calculators. But those are not the people we are talking about. We are talking about people who are under the poverty line—the old age pensioners and unemployed people.

They cannot afford to go shopping around, Mr. President. The Minister was really talking about a particular group of people. It is so easy for us to measure everybody with our own yardstick, because that is the group that she belongs to and I can understand that. I have no problem with that. But she must qualify the statement she makes in the Senate. Mr. President, I will go on.

The Minister was trying to tell us what her Ministry was doing regarding prices—monitoring of commodities on price controlled items, including flour, rice, baby milk; and enforcement of regulations. But she did not tell us what were the findings of the monitoring. Did she find that everything was "honky-dory"? Did she have to take action? If she did, what kind of action was it? Who was involved? We want to know these things. She cannot come to this Senate and say she is monitoring. Monitoring what? What is the result of the monitoring?

It gets better, Mr. President, I am quoting again:

"Ongoing random surveys on the price movement of some 200 basic consumer goods not under price control including household items, clothing and hardware items."

Well, all right, fine! It sounds good. But what is the result of this random survey? Did the Minister tell the people the results of the random survey? We do not know on this side. Tell us. Did she find that everything was all right and that all the prices were good? We have to assume that, because no action has been taken. But she makes nice-sounding statements to make it appear that some work is being done in that Ministry. Maybe some work is being done, but in the wrong direction, because we certainly do not feel the effectiveness of it, if any work is being done at all!

It goes on. The Minister tells us here again, Mr. President:

"Prices Division officers met with large merchandisers including the Pharmacy Board to examine the possibility of buying goods from cheaper sources and bulk purchasing to avoid heavy price hikes."

Well, well, Mr. President, since when do Government bodies teach merchandisers or business people how to buy cheaper? Have you ever heard anything like that in your whole life? The history in the Government departments is that they always

pay more for everything. Only recently, I understand, they paid some \$65.00 for a mop! These are the people that the Minister wants us to believe are advising businessmen. Mr. President, this is "mamaguy" of the highest order. Do not come to this Senate on an issue as important as price control and tell us that your people are advising the Pharmacy Board to bulk buy. Mr. President, if anything is "wishy-washy", that is.

It goes on, Mr. President:

"Survey on pharmaceuticals with 40 items chosen with 60 percent of questionnaires collected. Data to be analyzed."

Well this one is a little more honest. They have not analyzed the data yet. Perhaps the Minister could tell us today whether they analyzed the data and what was the result of the analyses.

Mr. President, what we have here—and I blame Sen. Draper for this because he has been training these people to sweet-mouth and sweet-tongue everybody; to come out here and make a flowery speech and hope that these are things to get them out of the trouble they are in. Well, Mr. President, it is not going to work. He ought to know that. He ought to know that "one day one day congo te'." It will catch up with you, and it has already started to catch up with you.

**2.20 p.m.**

She went on:

"SCHOOL books survey started last month with data on prices to be obtained from some 80 book stores chosen at random."

What has happened to that? Mr. President, with your leave, I want the hon. Minister to answer these questions. Tell us what is the situation with school books; what we ought to look at when we talk about school books. I thought that the hon. Minister would have talked about the scandalous change of school books every year in Trinidad and Tobago that costs the parents more.

Mr. President, I do not know how old your children are. Maybe you have forgotten about this. But parents with children not that old who have to face the book stores will understand what I am talking about. A 15-year old student who rarely used a particular book in school cannot pass that same book to a 14-year old because it has changed. That book is thrown by the wayside. That is what is happening in this country today.

*Trade (Amdt.) Bill*  
[SEN. HOSEIN]

*Tuesday, September 21, 1993*

So to come and talk about school books and not tell us one word as to how you are going to reduce the cost through the utter waste in the school system now, is very shallow.

The hon. Minister continued:

"MONITORING of prices on a weekly basis from large-scale retailers to ensure goods not unreasonably priced and to ensure that sales or discounts were real and beneficial to consumers."

These are the things that you put in your manifestos and you tell people, "this is what we will be doing." You do not expect a Minister, as a member of the Cabinet, to come a year and a half after the administration took office to tell you the same thing the manifestos have been saying, and there is nothing concrete being done. After 18 months you are still monitoring? When would she finish monitoring? In 1996? With your leave, Sir, the Minister simply cannot come at this juncture and give us that "ole talk" from a manifesto. Or is it that she is writing the manifesto for the next general election? Certainly, nothing here tells us about any action being taken. I have always had that argument.

Mr. President, you would recall very early last year I advised this Government that there is a dichotomy regarding what they say and do. They make "nice" speeches but their actions simply do not match their speeches.

The statement goes on:

"ENHANCEMENT of the consumer public education programme to provide information on key consumer items—including import duties and surcharges."

Well, I have not seen anything about that in the newspaper or on television. I must admit I do not look at television regularly. Maybe other Members of the Senate might have seen it. If they did, they can advise me. Maybe the Minister can advise me. But what is the result of that? Have we done that and what effect did it have on the consumer? That is what we want to know.

It continues:

"ACCELERATION of steps to establish consumer action groups."

I am not aware that is happening. Is she establishing action groups? The Minister can tell us whether she has taken those steps, because we need them. We welcome consumer action groups; the country needs them. I do not know that a Minister is

the right person to do that, however, that is required. Was it done? What progress has been made? This is what we want to know.

Then last but not least, she tells us:

"INTRODUCTION of a television flashette campaign with the presentation of attention-grabbing messages at regular intervals."

Well, the only attention-grabbing messages are the Ministers' faces on television and I can tell you that the people are not interested in that.

Mr. President, I want to quote from the "Estimated Monthly Household Expenditure To Retain 1988 Level Of Purchases." I think it is very instructive. My source is the Central Statistical Office, data for November 1992. It is very interesting to see what has happened.

	<b>1981/82</b>	<b>1988</b>	<b>ESTIMATED EXPENDITURE 1992 TO RETAIN 1988 LEVEL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
All Sections	2395.14	2709.09	4656.93
Food	592.52	518.56	1328.55

It has almost doubled in "All Sections". Are these not the things that a Ministry of Consumer Affairs and Social Services ought to be talking about? Is that not what the Minister ought to be giving her attention to? Do you see the jump in "Food", Mr. President? It is almost three times. Are these not the things that our Government ought to be looking at? This is only 1988. This is what you had to spend in 1992 just to keep up with that basket of 1988.

I would not go on with all of it. I just wanted to take the most important ones, "All Sections" and "Food." The people who are below the poverty line, pensioners and low wage income earners, could go a little longer without certain other things, but they cannot go without food. Therefore, I think that food is the most important of all, and that has escaped both the Minister of Consumer Affairs and Social Services and the Minister of Trade, Industry and Tourism, who has come today to give us a "wishy-washy" opening.

Let us see what the latest retail prices index says and we will understand. It shows that for an average in 1992 for Food, 356.9 percentage points, and for July, 1993, 437 percentage points, a rise of 80.1 percentage points.

It is horrendous. How do some people live in this country? You have to go and see for yourself. You would not believe. I invite the Ministers to come with me

*Trade (Amdt.) Bill*  
[SEN. HOSEIN]

*Tuesday, September 21, 1993*

and I will show them the work I am doing among those people and they would know the conditions under which these people live.

Let us look at Medical Goods and Services: It was 182 in 1992 and in July 1993 it was 193, 11 percentage points.

You see, these are the things on which the people of Trinidad and Tobago would prefer to see their Government focus its interest and energies.

**2.30 p.m.**

Mr. President, I do not like to be a prophet of doom and gloom. If you don't, crapaud smoke all of us pipe. Not just yours. If it was just you alone, I do not mind, but it takes me along with it too. I have a problem with that. I do not expect to go along with you on that.

This is not a laughing matter. This is a very serious matter and, unless this Government focuses its attention in the right direction and stops going around the place making all kinds of empty promises—it is courting trouble. Stop it; stop immediately, I warn them.

Can you imagine, we have old age pensioners in Trinidad and Tobago and almost everyone who is over 65 years and is a senior citizen, entering the winter of their lives, so to speak, will be afflicted with some kind of illness. Of course, you have exceptions like our dear President, who is vibrant and looking at least 20 years younger than he really is. But that is not the norm. The majority of these senior citizens are afflicted with some kind of illness and they have to face the supermarkets and pharmacies.

I have before me a few items that this Government ought to be looking at. They represent medication for persons suffering from diabetes. Diamicon is the name of one of them. Before the float it was \$130 for 100 or \$1.30 per tablet. After the float it increased to \$1.80—that is float and VAT—thirty-eight per cent higher. If you are working for sufficient money that is not a problem. But it is a problem for the majority of people in Trinidad and Tobago. Nuelin for persons suffering from asthma—without VAT it is \$1.05; with VAT it is \$1.20 each. Tedral, another remedy for asthma—without VAT, \$2.09; pre-float, \$1.77, cost with VAT, \$2.40—35.5 per cent rise. You have to understand that these people have to use these tablets and medication every single day. Let us not talk about the rise of \$9.00 per month that the old age pensioners are receiving.



How are these people surviving? Is it the business of the Government? Is it? I submit it is the business of the Government, as it is the business of the Opposition, the alternative government, to be concerned with how these people live.

**Hon. Senator:** *[Inaudible]*

**Sen. Hosein:** If you were nominated for the general secretary you then could have made a speech here. You are subjected to heckling and you are not yet the president.

Let us look at some of the supermarket prices. Cooking oil (Soya), which is perhaps the cheapest brand on the market—\$5.13. You have to pay \$.76 in VAT. It is now \$5.89. These are the things that those two ministries ought to be looking at.

Crix biscuits or Crix crackers as they are called. Everybody knows that this is the food of the poor. Oh God! Mr. President, can the Members on the other side not have a little heart? What caring Government are we talking about? This is what they say. We care about you. We care about you so we would hit you VAT on all the basic foods. Is that how they care about the people of Trinidad and Tobago? Crix crackers—\$2.83. You have to pay \$.42 in VAT. That is the cheapest biscuit you can get any part of the world. But they want to charge the people VAT on that.

Milk for the baby: The Minister made a case that the reason they took milk off the list is because there are too many kinds of milk—150 kinds of milk. Let the children starve because they do not have the time to go through 150 different kinds of milk and put them on price control. That is the argument on the other side. Let them die. It is no concern of the Members on that side. SMA milk for children from \$13.37, you have to pay \$2.00 VAT for that milk. Corn flakes: That may not necessarily apply for the poorest people. Lipton Tea: They will tell me that they are using bush tea; well, they are using that a long time but off and on they should be able to drink a little Lipton Tea or some other brand. Do you not agree? Lipton Tea—\$16.35; you have to pay \$2.44 VAT on that. Soft drink—the cheapest drink that you could get on the market—are you charging people VAT on that too? They have no conscience! A two litre bottle of soft drink is \$5.65; \$.84 in VAT. What kind of caring Government is this? This does not concern them at all. It is very hurtful to hear that a Minister on that side advances as an argument that there are too many different kinds of milk, so move it off the list. Let the children starve and let them die, it does not really matter. And they are dying.

*Trade (Amdt.) Bill*  
[SEN. HOSEIN]

*Tuesday, September 21, 1993*

There are cases everyday where parents are killing themselves and their children. God alone knows what the reasons are.

**Sen. Huggins:** Milk is the reason.

**Sen. Hosein:** It may very well be. Mr. President, hops bread: Before the float, hops bread was 25 cents. Since the float and since flour increased twice, hops bread has increased to 35 cents for one. Most of the Members on the other side probably do not even eat hops bread. They go for croissants, muffins—Italian bread. They do not know any thing about hops. That is poor people food! Let poor people starve. That is the attitude of the other side.

Rock cake, biscuit cake—some of the Members never heard that in their lives before—sweet bread, turnover, coconut drops, belly full. Some of them never knew about those things. *[Interruption]* The Member says he knows about it but it is only now he does not eat it anymore. All these are vatable items. You are putting VAT on poor people's food. That is what you are doing and you are coming here with your flowery speeches and just giving us all kind of ole talk with no action.

**2.40 p.m.**

I really feel sorry for the Members on the other side. Items such as cheese, rice, sugar, split peas and salt—even salt did not escape them—those prices have increased after floating the dollar. If you read the PNM manifesto the Government would tell you that they spoke about the freeing up of the dollar. That is true. It is in the manifesto. The only thing that they did not put in the manifesto is the effects and what would happen to the people when they float the dollar. They give you half truths in the manifesto which are equivalent to lies. These are the facts. Items such as Brunswick sardine, which was the cheapest, toothpaste, garlic, onion and every imaginable thing you could think about, the prices have increased.

What is this Government coming here and telling us? They are telling us about trade reform and they want to avoid monopoly. Perhaps, they ought to tell us how they would avoid monopoly when they are planning to sell out WASA and T&TEC. When they sell them out and privatize them, would they not become monopolies? How would they control the prices of electricity and water? The PUC has already refuted that the prices would not go down.

What then are the solutions? Firstly, my advice to the other side is that they should keep their promises, when they make them. They have to provide the jobs.

If they are going to pursue that trade reform package which they are pursuing now; if the prices would increase and they have liberalized the currency and they are not in a position to tell us what the position would be next year—although the Prime Minister seems to know what would happen in 1998; he is probably talking to the right seerman—whatever the case may be, they must be in a position then to provide jobs so people would have work and they could go out there and live with dignity.

I do not think that they want to have safety nets for the rest of their lives. They do not want to have people on the dependency syndrome for the rest of their lives, do they? We are not seeing where the jobs are coming from. They have to provide those jobs and those are their promises as well.

As you would recall, Mr. President, just before the 1991 elections, Minister Mottley, Sen. Rahael and another gentleman involved in some task force, had a big document stating that they had the answer to unemployment and to vote for them. What has happened now? Unemployment has increased; other than down, it is going up. They have to keep their promises.

I respectfully submit that they remove VAT on all basic food items—and not the items that they believe to be basic—and all medicines. If they are able to do that, perhaps the pensioners and the people living under the poverty line may have a better chance of surviving in this life.

Last but not least, I submit to the other side that they should make CNG conversion kits duty free. If they are able to do that, it would mean that people would convert to the cheaper fuel and thereby the cost of transportation would fall for all concerned.

Thank you very much.

**Sen. Diana Mahabir-Wyatt:** Mr. President, the Trade (Amdt.) Bill in the Explanatory Note before us seeks to amend the Trade Ordinance by giving the Minister who is responsible for prices control to which the Prices Commission is assigned, the authority to deal with all matters concerning the price of goods and services. I presume that by that, the Ministry of Consumer Affairs and Social Services will be responsible or is going to be assigned the authority to deal with all matters concerning the price of goods and services. I just have one query which I would like to address to the Minister in relation to this authority which the Hon. Minister now has. My query is, what is going to be done under this authority that she has with the under invoicing, which is still going on, I think even more than it

*Trade (Amdt.) Bill*  
[SEN. MAHABIR-WYATT]

*Tuesday, September 21, 1993*

was previously, resulting in a considerable loss of government's revenue which the Minister could be using in the social portfolio that she also carries which we will be debating further very shortly in this honourable Senate.

I recognize that for the consumer sometimes under invoicing does result in lower prices, but also, unfortunately, for honest business people who are in competition with the under invoicers, what faces them very frequently is unfair competition and bankruptcy.

I know of instances in which people who land goods here find that their competitors who are under invoicing are selling goods at prices which are less than they can land the same item at. This is resulting in considerable hardship for the honest struggling competitors.

If I recall correctly, before the first stint of trade liberalization legislation was introduced in this Senate by the hon. Minister Kuei Tung, we had a number of promises which were delivered in this honourable Senate saying that this whole matter of under invoicing was going to be dealt with. We are getting close to 1994 and it appears to me that the situation is getting more serious rather than being cleared up.

I know, and I assume that we all know, that customs do not have either the manpower or the merchandising expertise to deal with it. I think it is more than merchandising expertise in fact, referring to something that Sen. Hosein said. They do not have the merchandising expertise to be able to keep one jump ahead of the under invoicing people in the business community.

I was wondering whether or not the Minister would be considering some sort of joint public/private sector watch dog committee. I do not mean consumer action groups because they are not going to make the kind of complaints that are going to result in the sorts of investigations that would deal with under invoicers.

The other thing about under invoicers from what I understand the present position to be is that if someone is found guilty of gross under invoicing, they are merely asked to make up what they would otherwise have had to pay customs, and they just wander off; they pay it; shake their heads and say, "you caught me this time," and they then go on and sin again.

**2.50 p.m**

I think that in many cases their honest competitors—if I can put it that way—are aware of what is happening because I am aware of a number of different

business sectors where this is going on. I know people who are in danger of going out of business as a result, but I have been told they are just frightened to report it to customs because they are afraid of victimization at customs. They said that whenever they have reported it, their papers were lost, their documents went missing, they had their goods pile up and they had to pay rent as a result. They cannot afford it. They were already losing out because they cannot compete with under-invoiced goods.

It pains me as a consumer to say this because I know that as a result, in a number of sectors, we get goods more cheaply than we would otherwise. But, as a Senator, I think I have a certain responsibility to mention this, particularly since in a number of business sectors, I am aware of people who are about to go out of business; they are facing high bank charges and they are getting close to going under because of that, which means that there is going to be a great deal of unemployment.

Individual businesses are going under, which means that their employees are going to be retrenched and the spectre of more people being unemployed is frightening. It seems that practically every day when I pick up the newspapers I see a report that more people are to be retrenched. That so many should suffer for the profits for so few, cannot be justified.

Mr. President, I would like to ask the Minister of Consumer Affairs and Social Services what is going to be done about this.

According to the Explanatory Note of the Trade (Amdt.) Bill, the Minister of Consumer Affairs, and Social Services has the authority to deal with all matters concerning the pricing of goods and services. While the hon. Minister who introduced the Bill, did say that he would still be keeping a watching brief and would not give up all involvement, since nothing has been done in the last 18 months and since this matter has been raised, I am hoping, arising out of this, that something will be done.

I know that the Minister of Consumer Affairs and Social Services knows, as I do, the results on the lives of the families that are affected by the resultant close-down of businesses. I think it is unfair and inaccurate to imply that the hon. Minister does not know what is going on or is indifferent to the results, because I know that the people who are affected very often approach her in different ways for help.

*Trade (Amdt.) Bill*  
[SEN. MAHABIR-WYATT]

*Tuesday, September 21, 1993*

I am not sure, however, that this knowledge is always traced back to its causes. I am just hoping that with this authority which is apparently going along with this Trade (Amdt.) Bill, that we can get some sort of indication in this honourable Senate today as to what is being done. We do not want to hear about more reports being made, or more studies being done, or more "attempts" to consider these matters. We want to know what mechanisms are being put in place to prevent this from happening, so that honest people can continue to operate and their employees can continue to be employed.

**Sen. Wade Mark:** Mr. President, a famous 20th century British economist, by the name of Lord Keynes who brought about a theory called Keynesism, in his famous and prize-winning text, entitled "The Theory of Employment, Money and Interest," once remarked that it is ideas and not vested interest that determine good or evil in the world.

When I listened to the Minister of Trade, Industry and Tourism, who I know to be an agent of big business in the Government, actually espouse this so-called free-market model with the ease and facility he did, the statement of Lord Keynes rushed to my consciousness. We are dealing with ideas in this society; big forces, big and powerful interests seeking to reorganize the society at the expense of the vast majority of its citizenry, whether it is in Trinidad and Tobago, Africa, Latin America, the Middle East, even in Europe. Powerful forces! And we have some elements in this society who are their watchful guardians and servants.

Mr. President, there are consequences that this society is bound to reap if we continue down this miserable road that the PNM has established for us. The Bill before us which is an amendment to the Trade Ordinance of 1958—I should bring to your attention that this particular Ordinance has been subjected to many amendments in the past; one in 1959, another in 1968, 1972, 1975, 1979 and then this one in 1993.

My colleague asked whether this was a Cabinet reshuffle using the aegis of the Parliament, whether the incompetence of the Minister is manifested here; well both Ministers are incompetent, we have no doubt about it. But musical chairs and deception—that is this Government.

Mr. President, I would like to deal with this particular issue, because the hon. Minister of Trade, Industry and Tourism introduced a number of important ideas. But the Government's policy is doomed to failure; there will be no delivery, none.

This country has all the conditions for social upheavals. This regime is rapidly laying the foundation for upheavals in this country.

I want to dwell very early on the whole concept of prices and prices policies so we can put this debate in reasonable perspective. There is a philosophical rationale, Mr. President, for the establishment of prices policies in any society and particularly a society like ours that has been going through 11 years of consistent economic contraction with no sign of hope, no ray of light at the end of the tunnel. The Government is dishonest by not admitting to the population that its policy has failed. But you see those who fail to learn from the past are doomed to repeat their mistakes, and the PNM, as you know, was extremely corrupt and the legacy is now haunting the present administration. Economic crimes are being committed. We will have to establish a corruption commission, when we take power, to determine how these Ministers have come into their huge wealth in such a short space of time.

Price policies are important weapons in the armoury of overall income-policy in that they have a direct and powerful impact on the living standards of ordinary people, and I am talking about poor people. Price policies have a particular significance for income distribution and poverty alleviation.

### **3.00 p.m.**

So when the Minister, in his easy, unrepentant, capitalist style, comes here and says to this Parliament, and to the country, that price policies were established in the past to ease the burdens of the poor, in terms of high prices, and to deal with monopolistic practices, it is as though these measures are gone. These things have intensified under the structural adjustment arrangement, so if at any point in time more price controls are needed, it is now, to help the poor.

Real income has collapsed in the country by over 50 per cent in the last 10 years and the so-called float—because we have not floated as yet—when we float we will understand what floating is, we have simply devalued the currency. When they actually float and remove the restrictions that the commercial banks have placed on ordinary citizens, not their friends, then we will understand the consequences. *[Interruption]* You do not have any restrictions. I will deal with you at the appropriate time.

Mr. President, a consumer price policy does not exist in Trinidad and Tobago. It is the prices of consumer goods and services that translate nominal incomes into real incomes. This is an important point, because a struggle is developing between

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

labour and capital because of the collapse of real wages in this country and the inability to provide workers with more wages. The prices of consumer goods determine the quantity and quality of goods and services the worker can buy with his wages. Let us understand this, the prices of consumer goods determine the quantity and quality of goods and services the worker can buy with his wages. How can a man be working for \$2.00 an hour in the private security industry—which the Minister of National Security has promised to bring legislation to Parliament to regulate—and not thief?

**Sen. Huggins:** Mr. President, on a point of order. Let me set the Senator straight. Minimum wages in the security industry does not fall under the purview of the Minister of National Security, but under that of the Minister of Labour and Cooperatives. I made no such promise.

**Sen. W. Mark:** I was not dealing with minimum wages here, I was dealing with the hon. Minister's inability to regulate the growth of these overnight security firms that are now patrolling our coast and replacing the Coast Guard and there is a drug trade in the country. This is what I was speaking about, not prices and wages at this time. *[Interruption]* He is incompetent.

Let me get back to the substantive matter before us. Price policy impacts—prices are important for the welfare of non-wage earners as well. There are over 120,000 able-bodied men and women who are unemployed, and when prices are escalating without any control it impacts on those people as well. *[Interruption]* Well, the hon. Senator has always been an anti-unionist, we know this. We know that he is very hostile to the trade union movement. But we are not worried about him, he will come and go but the trade union lives on. *[Interruption]* He knows that. I know he has other ambitions as well.

Price policy impacts on development in general and income distribution in particular. There is a variety of tools for influencing consumer prices in any economy. One of those tools is price controls, which is what we are debating now. Consumer price subsidies—subsidies paid by the Government to keep consumer prices of certain basic commodities down. As you know, Mr. President, the Government has drastically reduced subsidies on consumer commodities and it has also dismantled price control. In spite of the cheap talk from the Minister, it has also allowed profiteers and speculators to take control of the market-place.

I used to buy a particular brand of eye drop for my mother and before the float I paid \$40.00 for that eye drop, that item now costs over \$110.00. The mark-up on



these pharmaceuticals is staggering for poor people in this country. They are saying that they have not allowed the speculators and the profiteers to eat and to exploit people in this country, but it is the truth. That is what is taking place, they have allowed these people to exploit poor people and live off the fat of the land.

With the so-called float of the exchange rate, it would have been necessary, as I said, to introduce vital controls over prices, but this was not to be. Instead, this so-called caring Government, in its deceptive and insidious style, actually did the reverse and removed a number of basic commodities from price control.

One of the things that the hon. Minister failed to tell us today—this Government is a wicked Government. Before the float some time in April, 1993, the Government, prior to that float and immediately after, removed the following commodities from price control. It removed the various brands of powered milk on April 2, 1993; it also removed butter, sardines, onions, potatoes, and baker's flour on the same day.

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

This insensitive and cold regime, on the day after they announced their decision to float, removed baker's shortening from price control; on July 23, 1993, they removed bread from price control; and the dagger that actually was aimed at the heart of the population came when this—sometimes you can only use words that might be too strong to describe these people here, but I will describe them on the hustings. They are insensitive, Mr. President, that on that date they actually buried the dead.

The Minister has a Bill dealing with children coming up shortly. She must tell this country why this so-called "caring" Government removed infant formula. This PNM Government removed baby milk from the list of scheduled goods in this country on July 23, after they had devalued the currency by 35 per cent. And they are telling people that they care? They think they can "mamaguy" and fool and engage in cosmetics forever? "Time is longer than twine" and they are going to be caught and brought before the bar of the public. They are going to plead innocent or guilty at the appropriate time. The Prime Minister said it will come like a thief in the night. Nobody will know. But they will have to come before the bar of the public to confess their deeds and sins.

But, Mr. President the thing that hurts me the most is, how this Government can justify to this population the removal of baby milk, when so many children in this country are suffering from malnutrition. Just last night on TV6 there was a

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

show about a school on Piccadilly Street with young children eating pholourie and red mango for lunch because this wicked, dangerous and insensitive Government has failed to start the School Feeding Programme; and children are going to school eating pholourie at lunch time. And they are telling me they care? How the hell do they care? *[Interruption ]* It might be good for you, but not for children. Children need to be nourished properly, Mr. President. They are the flowers of tomorrow and we will have more to say about this, when we deal with the Children (Amdt.) Bill later on.

Mr. President, as the hon. Minister rightly pointed out, there are only five items remaining on the Price Control Schedule of this country: counter flour, rice, sugar, drugs, i.e. pharmaceuticals, and schools books. How can they go to the people of Laventille and justify this kind of thing?

Mr. President, there was a fellow called Ken "Flash" Gordon at one time. He came in a flash and left in a flash. There is a Price Schedule here. When Mr. Ken Gordon—no, Mr. Desmond Cartey, another one—the famous "thief", the man who said "all ah we tief", PNM style. When he was Minister of Industry, Commerce and Consumer Affairs in March 1983, this was the size of the Price Schedule, Sir. *[List displayed]* There was a list of items they had under price control. I do not want to go through it, I can pass it on to my colleagues.

**Mr. President:** That was about 10 years ago?

**Sen. W. Mark:** Well, it does not matter, Sir, it is relevant to this debate, I can tell you. This is how the relevance comes in. There was Ken Gordon in 1989 and this is what it came down to—*[List again displayed]* from this size, almost about eight pages to four pages. I make you one promise here today, that before the PNM Government is dismissed, banished, exiled permanently and forever, they will, in fact, scrap this completely. There will be no goods under price control in this country.

Mr. President, this is not an idle question. This structural adjustment loan document that was signed between the NAR and the World Bank indicated—just as their position on the T&TEC issue—deception, fooling the population, when they have a commitment in this document to privatize generation. It is in this document and they are "mamaguying" the population. They have agreed. The Government under the NAR—and this Government is now executing that policy and in the policy matrix to this document, there is something on T&TEC and something on WASA. I want to give you the fine print, if you feel I am

"mamaguying". Even BWIA—they have to liberalize the airline. They have to sell the airline. All these things are noted here.

Listen to the fine language of these international civil servants who come here and have these Ministers trembling like little boys, because they are incompetent. Under our regime there will be no trembling. I can give you the assurance. Mr. President in this document—just briefly, Sir, I do not want to spend too much time because I am on a particular matter here. I just want to indicate to you how this came about. Under the policy matrix it is said:

"A sound balance must be established between generation/transmission and distribution."

But the key point I want to make here—I will come to this matter at another time—is on page 48 of this report under "Wage and Price Policies":

"In keeping with the aim to introduce greater efficiency in the functioning of the economy, the Government has dismantled most price controls. By the end of 1988, only essential food items and items where a substantial amount of monopoly price fixing existed—school books, pharmaceuticals and auto tires—were still controlled. For these remaining items, 13 in all,"

that was in 1989—

"the authorities plan to introduce greater—"

They want to engage in greater movement, efficiency rather, in the price adjustment process.

"The Secretariat of the Prices Commission is to be given the authority to approve increases within guidelines established by the Commission and enterprises in some cases would be able to adjust prices subject only to ex-post notification to the Secretariat."

In other words, Mr. President, the Prices Commission and price control in a 1984 policy document submitted by the IMF to the PNM Government had, in fact, proposed a complete elimination and dismantling of price controls in Trinidad and Tobago and this is what is further emphasized in this particular document.

### **3.20 p.m.**

What we, on this side, are arguing is that price control has been virtually abolished by this Government. The Prices Commission, as you know, is supposed to be a watchdog commission established under the Trade Ordinance. Since 1991

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

(this Government came into power in December 1991) labour—as you know I am a spokesman for labour—had a representative on the Prices Commission. He is now dead, the late Bentley Bougoneau. Since this so-called caring regime came into power, they never re-appointed the members of that board. Nine persons who were supposed to be appointed to the Prices Commission board have never been re-appointed by this Government. They are "mamaguying" the population. This is cosmetics. Saying that Sen. Kuei Tung is doing the prices control thing and he is in charge of the Prices Commission and they now want to put it under the real Minister, the hon. Linda Baboolal, is musical chairs. Because they do not have a Prices Commission operating at this time. Why do they not tell the Parliament the truth? Stop fooling the population.

We are saying that this whole question of price control is very critical and important for thousands of citizens in this country. The World Bank has indicated to us that we have over 105,000 people who cannot put two and two together to make four. They are hungry. This Government's economic policy has plunged tens of thousands of people into destitution, vagrancy and great poverty.

If we used to have trials at the end of the terms of Government in this country, this Government would have been put on trial for economic crimes. We need, in this country, because of the kind of poverty that exists in this land, to establish ration shops. People need food. They will kill for food, and they are killing for food. They are robbing people for food. They are invading your privacy for food. This Government has to establish emergency ration shops or fair prices shops, not any watch committee. "Watch groups," what foolishness is that! They are "mamaguying" the population.

The same Minister told us, soon we would be able to sleep with our windows open. Hers must be tightly locked, burglar-proofed. They are "mamaguying" the population. The Prime Minister—everything is "coming down". Well, he is going down every day—down the road; always "mamaguying" the population. Down the road to disaster. I am not being part of that, I can tell you. I am going up the road.

We need to reintroduce in this country, a proper system of food stamps to help the poor. Less than 10 per cent of the Government's budget in this country, sometimes goes towards dealing with some of the basics of the population, because so much money has to be allocated towards paying the country's foreign debt. Out of a budget of \$7 billion, we have to allocate \$3 billion towards the foreign debt, so people are starving in this country.

This is the only way that we suggest that you are going to combat poverty in the short run. Of course, we have other policy measures that we want to enunciate later on. Because the campaign for power has started, I must let you know. The campaign for power, whenever it comes, has started.

We have estimated that there are over 200,000 people in this country who are living under the poverty line. We believe that the World Bank's figures are conservative. In 1989—90 Ralph Henry produced a report and at that time he had estimated that 18.5 per cent of this population was living below the poverty line. There are over 325,000 households in this country. We have easily estimated that—and that is a conservative figure—200,000 people in this country are living in poverty.

The Minister spoke about fraud recently. There are many economic crimes that are being committed in this country, but we will come to that at the appropriate time as well. Corruption—we have to pass a law when we take power, to make sure that Ministers declare their assets to the entire population, so that we would know what they came with and what they are leaving with. They cannot come with a little and leave with plenty. That is corruption and that is jail under our administration.

Do you know what is hurtful about this whole exercise? These people cannot subsidize the poor people. They cannot keep baby milk under price control, but they are living in luxury. It is estimated that this Government, in terms of perks alone, has been able to save—and the taxpayers have lost—close to \$1.5 million in taxes that they have been exempted from paying because of their expensive motor cars. And this is a Government that cares. There is a whole list of them. Everybody knows who has new cars. *[Interruption]*

I bought a locally assembled one—I must let you know—I did not buy any foreign car like him and his colleagues.

**Hon. Senator:** How much tax do you pay?

**Sen. W. Mark:** We voted against it, but they insisted that we take it. What do they want us to do? I understand that whilst we have taken ours, they have kept theirs back for the end of their term. We understand they are going to get a lump sum payment of about \$3.7 million, with an average of \$192,000 for each of the 18 Government Ministers, with the Prime Minister leading the pack, with \$247,000.

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

I make this particular intervention to let you know that if we are serious about the country and the people, we have to re-organize our priority. This Government does not care. The Prime Minister, the hon. Patrick Manning, said at one time that free trade is a myth. But you know he is a "born again" Christian and he is also a "born again" free marketeer. What was described as a myth is now advanced as no alternative to.

The critical point that we are making here is that if you do not impose restrictions on increases in prices, then you are going to have, automatically, a collapse in real incomes. Real wages are going to fall, and then the trade unions will have no choice but to demand increases in money wages. Because whilst your income is falling, your mortgage commitment remains the same.

**3.30 p.m.**

You have \$1200, \$1500 or \$2000 a month to pay and your salary is cut by a devaluation of the currency by 35 per cent, but the trust companies are still asking you for the same amount. In other words, they are actually laying the basis for confrontation between labour and capital. The so-called floating of the currency is going to ensure it. We do not support watch groups. We think that it is a waste of time. Are you going to watch the prices increase? Is that why watch groups are going to be established?

Mr. President, when I said that ideas, and not vital interests, are critical to our situation in Trinidad and Tobago, the Prime Minister said in a recent newspaper report that trade unions and their leaders are locked in ideological matters and frameworks of the 1950s and 1960s. But we have a Government that is buried and entrenched in 19th century theories. They have resurrected Adam Smith. When they went to England, Minister Valley and the Prime Minister visited the Adam Smith Institute. That was the institute that actually formulated and advised former Prime Minister, Margaret Thatcher, how to privatize England and to privatize their national economy. These people are entrenched in 19th century ideas, resurrecting the dead and telling us in the trade union movement that we are locked in ideas of the 1950s.

There are ideas we are contending here—it has to be an ideological battle because we do not like the Government's ideas. They do not work. They redistribute income, power, wealth, privileges and rights. And that is what is taking place here. Every time our currency is devalued, the rich people become richer and the poor people become poorer. That is what the free market model is

doing. It is redistributing power in this country. They tell us that we must be nice and stay nice and be cool. So you are coming to slaughter me; tell me to put my head on the chopping block and take my chop—we are stupid, you see.

Mr. President, this is going to be a battle to the bitter end. If the Government continues on its irreversible course in terms of telling the community that it has national consent to privatize and sell out this economy, they will have a battle to the end, because they have no consent from this population. This is a minority Government. Through the combined votes of the NAR and the UNC, we would be the government. The combined votes of the UNC and the NAR surpass the PNM's votes. This is a minority Government. How this Government could tell the population that they have the national consent—of which community? To do what?

Mr. President, let us hold a national referendum to determine if they really have the support. That is what we have to do. We on this side are saying that the Government is locked in a 19th century economic paradigm which has no relation whatsoever to our experience as a people. We believe that the approach this Government is taking is going to lead to greater monopolization of our economy.

Neal and Massy has already taken over Geddes Grant. That company alone has over 100 firms under its control. We have another big firm, McAl, with a number of companies under its wing and control. We have Republic Bank taking over BOC, that is a monopolization of the money-market, the banking sector. This is a small economy. We cannot afford to have the monopolization of our economy. They are going to strangle consumers.

This is why we on this side have been calling on the Government to establish a monopolies commission. You have to establish a monopolies commission to ensure that the people are not exploited. But this Government is not listening. It might be hearing, but it is not listening. *[Interruption]* Well, we can do it better than you. Put NATUC in power. We are saying that this is a matter that is of extreme importance to all of us. The Government's structural adjustment programme has failed. It will not work. It is not delivering because the population is not involved. The people are not involved in the process of development and once the people are not involved in the process of development nothing will work—technocratic group of men and women in charge.

Mr. President, there is a report I shall just read briefly to you. It is a magazine called *Development and Co-operation* produced in Germany. There is an article

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

entitled "Bad Records for World Bank Projects." This article is saying that close to 38 per cent of the World Bank projects completed in 1991 were failures. The same World Bank that we are embracing as a new god—that is their god; World Bank, IMF and IDB, the new god for the PNM, are these institutions.

Mr. President, 1800 projects in 113 countries involving \$138 billion; out of that number of projects 37.5 per cent, which were completed in 1991, were deemed failures.

"Up from 15 per cent in 1981 and 30.5 per cent in 1989. The worst affected sectors were Water Supply and Sanitation, where 43 per cent of the projects were said to have major problems, and 42 per cent in the Agriculture sector."

They went on to say in this article:

"New areas of lending were also encountering major problems; poverty (28%) environment (30%), and private and public sector reform..."

I wish to repeat for the hon. Minister of Public Administration in the Office of the Prime Minister that private and public sector reform programmes and projects have failed.

**Sen. Draper:** We are not running that.

**Sen. W. Mark:** The Minister does not have to run anything. His mind has been captured. He does not want anybody to tell him anything further. He is converted to their way of life. I am saying that the World Bank is admitting that many of their projects have failed in developing countries and poor people are suffering throughout the world.

Mr. President, there will be a revolt. Only yesterday, in Poland, the old communists were returned to power, because the structural adjustment programme is not working in Poland. There is poverty, deprivation, suffering, unemployment and crime throughout the land. The very people that the Polish people threw out a few years ago have been put back. I am just telling you how the world is going. President Clinton is being called a communist in America by right-wing forces because, he says, the Federal Government is going to intervene to deal with health care for the American people. They are now calling President Clinton a communist in America because he said the state must have an active role in health care for poor people in America. These people do not want any kind of space for poor people. And presidents, like Mr. Clinton, are going to have a very hard time.



Americans assassinate their presidents when they do not like them. That is a very dangerous country.

**3.40 p.m.**

We on this side say that the Government's economic policy is not working and the Government itself is in a state of paralysis and rigor mortis. This Government has all the necessary conditions for instability in this country. We hope that those conditions do not get worse. They have moved from Mr. Chambers, when we had excess savings and large reserves, to Mr. Robinson, when we borrowed, and rescheduled and to Mr. Manning when we are selling out. That is the cycle that we have reached. Mr. Chambers had large reserves saved; Mr. Robinson came into power, he borrowed; the same Mr. Robinson rescheduled and this Government is selling out the family's jewels and without getting the family's consent.

**Mr. President:** The speaking time of the hon. Senator has expired.

*Motion made,* That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. S. Capildeo* ]

*Question put and agreed to.*

**Sen. W. Mark:** Mr. President, I would not be much longer.

We say that there is a fundamental difference between the PNM and the UNC insofar as economic policy is concerned. The PNM is of the view that manna must fall from heaven and they must sell out our country in order to get growth, incomes and jobs going. This is why the Government is selling out; it is removing subsidies on basic commodities and price control and making all these fundamental changes with the whole investment regime such as flotation. All these measures are part of the financial liberalization package. These people on the other side are crippled in their imagination; they just do not have ideas as to what is needed and we require simple measures.

The United National Congress is committed to home-driven growth and development. That is our policy. We recognize the need for external propulsion of our economy, but we are committed to using our indigenous resources to drive the economy forward. That is an economic policy position that the Government needs to note, a clear economic policy position.

The PNM Government is not committed to home-driven development. They see salvation in the foreign dollar; in transnational corporations; in the IMF, World

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

Bank and IADB. There is no salvation in those institutions. Let us face the reality. So, you are talking about a bankrupt, corrupt, visionless, tottering, stumbling and fumbling administration. They have absolutely nowhere to go. They are leading the country down a precipice.

This is why the Prime Minister could go on the television every night. Who is paying for that? I do not know, but we would come with questions on that and we want answers. Who is paying for that advertisement every night, "Let us go down the road?" Go down what road? Is it a precipice? Is that where they are going? Do they want to take me down there?

I would give one essential element of this economic policy that would drive the economy of this country forward if this UNC takes power. We have no doubt in our minds that the days of the PNM are numbered. I see the Prime Minister has taken up a new religion now. He is a pastor. I think that is where he belongs. He should be in religion because that is what they all believe in. Liberalization, privatization, marginalization and globalisation are religious terms.

We are saying that we are committed to a programme of food security; a revolution in agriculture. We link agriculture with industry to trigger economic development in our country, where we can in fact provide the basic necessities for our people. Our people require food, clothing and shelter. These are the basic needs of life. This Government has failed miserably, manifestly and repeatedly. We have had 30 years of corruption and bankruptcy and five years of dotishness.

We are committed to use agriculture to stimulate development in our country; transforming the construction sector in a positive way so that we can house our people. We feel that if we have a revolution and a policy on agriculture, a development thrust in agriculture would not only earn foreign exchange, but also conserve foreign exchange in our country. It is going to provide employment. We have estimated that we can provide 25,000 jobs in agriculture. We are not talking about agro-industrial development as yet.

We are also saying that kind of policy would trigger some stability and equilibrium in prices in our country. People want reasonable, affordable and reliable food supplies. We have the capacity. We grow every conceivable fruit and vegetable in our country.

Why does this Government not want to revolutionize agriculture and put our people to work? Is it because their business partners who are in the import trade or food business and are strangulating this country, financed the PNM Government in

1991 and before? Is it the kickbacks? Is that why we put the PNM in power? Is that why the people voted for them, so that big business could tell them what to do? That is why they would always be against the UNC because we told them we would break the monopoly of these parasitic oligarchies in this country.

We are not hiding. When the people vote us into power they would know what the UNC stands for. We are not playing games with the population. This is a very serious matter that we are dealing with. We feel that linkages are critical to get this economy going. This is only one element because, as I said, the campaign for power has started. The population must begin to see that the UNC is in fact a viable, feasible and credible alternative to run the economy and the engine of state in this land.

We say as a party that there must be an element of price control on basic commodities. The Government has to re-prioritize its agenda. This is why we are anxiously awaiting the debate on the Children (Amdt.) Bill. We want to know what this Government is about. We await the hon. Minister's intervention.

We on this side would not reject the Bill outright because we see it as being cosmetic and musical chairs. The Government has been in power since 1991, maybe someone just got a dream, and has now discovered that the Minister of Trade, Industry and Tourism has prices under his control in his ministry and the Prices Commission, but the person who is supposed to have this under control is the Minister of Consumer Affairs and Social Services. They come to this Parliament to tell us this is what they want us to do.

We hope that the Government would learn and our advice and caveat would in fact provide the kind of stimuli necessary for them to reorganize their thinking and have a fresh and new approach to development in Trinidad and Tobago. We need national consensus. No one party in Trinidad and Tobago can turn around this economy.

The PNM would fail. This Government is destined to fail with its policies. It does not even want to talk to NATUC a centre that controls over half a million persons, that is directly; and over 500,000 persons directly and indirectly. How can the Government move forward without NATUC? The NAR learnt a bitter lesson. I think that they all want to learn the same lesson. Do they think they can bury this trade union movement before they leave office? The hon. Senator can build as many jails as he wants; he can threaten me as many times as he wants, but he cannot get rid of me. He may get rid of me, but he cannot get rid of the trade union movement.

*Trade (Amdt.) Bill*  
[SEN. W. MARK]

*Tuesday, September 21, 1993*

**3.50 p.m**

Mr. President, essentially, on this side, we are saying that on the issue that we have discussed here, we have articulated some of our positions very clearly, honestly and sincerely. We hope that the Government would learn a few lessons from the experiences we have advanced, and change its ways, change its course because it is going down a very dangerous road that is strewn with difficulties and problems. They need to pause, take stock, and bring the population together. Let us have a national consensus and dialogue; bring all the interest groups together; formulate a national economic plan to rescue this economy, but the first ingredient must be honesty.

The Government must be honest and tell the population exactly what is the problem. That is what this Government is escaping and ducking, and unless it is truthful to the population it is not going to gain the people's confidence. This Government will be going from pillar to post, spinning top in mud and at the end of the five years it would not have made any head-way. At the end of its five-year term there would be more unemployment, more criminals, more vagrancy, more sick people, more poverty and more destitution. That is the destiny of the PNM, because it has failed to incorporate and embrace the population in its economic policy and programme.

Mr. President, any government, in any part of the world that does not have the confidence of the people and does not bring the people into its confidence, is a government that is destined to failure and to complete oblivion. I am certain that the PNM Government is definitely going down that road come 1995 or whenever the thief in the night is called.

**Mr. President:** Have you told the Minister whether you would be supporting the Bill or otherwise?

**Sen. W. Mark:** No, I told him that I will give him critical support on this matter. *[Interruption]*

**The Minister of Trade, Industry and Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. President, I cannot help but observe that Sen. Wade Mark has obviously benefited from the long recess we have had. I think he has had a long time to rest or practise, but he seems to have brought enthusiasm and energy back into the debate. I must say, too, that Sen. Hosein seems not to have been dulled by his long silence.

It is with a great deal of pleasure that I rise to respond to some of the comments that have been made on the other side. Maybe I need to put this in a bit more perspective, or maybe I thought that in my opening remarks I had done that. The Prime Minister, upon assuming office, has the sole responsibility of assigning portfolios and, as far back as early last year, he advised the President, who delegated portfolios to various Ministers. It was then that the Minister of Consumer Affairs and Social Services was given the portfolio for Prices Commission.

As indicated in the Explanatory Note, this assignment was given some time last year. It was not given last month or yesterday. It is not something that we are attempting to address that came about recently, it has nothing to do with portfolio shake-ups or otherwise. It has to do with trying to correct a contradiction in terms, in the sense that you had one ministry performing a job and another ministry having the legal authority. What that meant is that the work of the Prices Commission, under the Prices Division of the Ministry of Consumer Affairs and Social Services, had been carried out since early last year. Over the year and a half that we have been in office documents that were legally the authority and responsibility of the Ministry of Trade, Industry and Commerce had to be sent there upon the work being finished by the Ministry of Consumer Affairs and Social Services.

This afternoon, Mr. President, we are merely seeking to correct that contradiction and leave enough flexibility so that any Minister to whom the Prices Commission is assigned, whether it be the Minister of Consumer Affairs and Social Services, whether it be the Minister of Trade, Industry and Tourism or any Minister for that matter, will automatically have the power to sign the respective legal documents that come under the Prices Commission.

In essence, the word "Minister" under the Trade Ordinance, which says it is the Minister of Industry and Commerce, is now going to mean a Minister in relation to matters concerning the price of goods and to whom the Prices Commission is assigned that responsibility. That, Mr. President, may very well have been the crux of some of the confusion that has arisen in the minds of the Members on the other side. This is not a question of changing portfolios, this is merely a matter of regularizing the legal authority with whom the question of Prices Commission rests. In this case, as I have said, the Trade Ordinance assigned it to my ministry but in the delegation of portfolios by the President last year, it was assigned to the Ministry of Consumer Affairs, as it rightfully belongs.

*Trade (Amdt.) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, September 21, 1993*

We heard a number of comments being made with respect to the policies and strategies that the Government has assumed and in pursuing these policies, which we are convinced are leading us along the right path, we have recognized the number of countries that have embraced economic change. As recently as two weeks ago, I had the privilege of being with the Prime Minister when I met with four heads of government, the heads of Government of Jamaica, Barbados, St. Lucia and Trinidad and Tobago. It was brought home to me very sharply that the economic changes that had been brought about by Trinidad and Tobago, seemed clearly, to have been gaining the respect and admiration of the other Caricom Heads. I say that because they had said in clear terms that they now realize the measures that we attempted to put in place last year are beginning to bear fruit for us. They are wondering whether we are so far advanced from them that they are not going to be able to catch up with us.

I say that because I remember hearing a very learned Jamaican fellow who said that for the first time, in the Caribbean, he is seeing a government that can be described as being an enterprising government. He was referring to the Trinidad and Tobago Government.

**4.00 p.m.**

So that, we are attempting to bring about those changes—and we recognize that any change, particularly as drastic and radical as the Government has sought to implement—must bring about some inconvenience and some dislocation. It must call for a bit of sacrifice. It does so because we recognize that the countries which are already way ahead of us have begun to reap the benefits of those changes .

So the Government is neither going to cave in nor swerve course; the Government has no choice. We believe that the kind of trade regime that will obtain by the end of this century would be one where the countries that are in the best position to trade are the countries that would succeed.

**Sen. Hosein:** Mr. President, I wonder whether the hon. Minister would tell us the countries he is referring to which have done so well.

**Sen. The Hon. B. Kuei Tung:** Mr. President, all over the world there are numerous examples of successes. I can talk about Korea, Chile—I do not need to go to Britain and France, I may add them to the list—but I can talk about Mexico, Costa Rica, any number of countries. *[Interruption]* They are in trouble because we see some of the trouble spots. Have you seen the news of Trinidad and

Tobago? All the foreign news about Trinidad and Tobago is about the problems we experience. That is what news is about in today's world. I can assure you that even a country as backward as China, which is now embracing capitalist approaches, and now leaping forward, has a gross national product which is increasing by leaps and bounds. I can also talk about Taiwan. So that there have been any number of examples to show that economic reform has brought great success to countries which took the pains to do so.

When the Government saw the necessity to correct this small anomaly, my ministry set about preparing the necessary amendment. An amendment which we thought was very simple in nature—but which obviously has allowed Members on the other side an opportunity to talk about everything under the sun—but which needed to be put in context.

One of the problems that I have is the fact that whilst we recognize the need to maintain prices control as a mechanism, it appeared somewhat in conflict with trade liberalization. The whole essence of trade liberalization is to ensure that there is an adequate supply of goods, not just in terms of supply from one supplier, but that there is an adequate supply of goods from many suppliers so that direct competition would allow prices to be kept at a minimum. I say that because if there are enough supplies of goods of any kind in Trinidad and Tobago—whether about baby formula or milk—when Sen. Hosein suggested that I was saying that the number of items was the justification, he obviously was not listening. I used that as an example to show how complex these calculations had become and in the context of trade liberalization there would be a far greater number than these, because they would come in different sizes and brands. So it became a useless exercise to have a Prices Commission checking each price calculation for each brand, when there is such a tremendous number of goods available.

The very fact that there was this great number of goods in terms of the varieties, indicates that there is enough pressure to keep the price down to a minimum, and that any importer who attempts to extract higher profits would be dealt with in the market place. That is what I attempted to indicate to him, that it really did not make sense keeping 150 calculations when the variety of different brands of milk was enough to keep the price down.

Mr. President, I tried to put this in the context of the fact that we had done this trade reform, because I had to indicate that with the removal of the negative list,

*Trade (Amdt.) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, September 21, 1993*

more goods would be available in Trinidad and Tobago. There was a greater variety of sizes and brands, and in essence, the removal of the negative list itself seemed to suggest that there should be a further reduction in the number of items that remained under price control.

I also need to indicate to Senators opposite, that the Prices Commission is somewhat in abeyance at this time, but we seem to forget what is a prices commission. A prices commission is merely a body of people appointed to review the work being done by the Prices Division in the Ministry of Consumer Affairs and Social Services. The technical calculations are being done—and have been done over the years—by the technocrats in the Prices Division and the Prices Commission is nothing more than a review commission.

In those days when there were only eight pages, I could understand the need to have some kind of review. At this time, as the number of items come down, we feel it may not be necessary to have a prices commission only to review work—which work, incidentally, is not of the volume that obtained in 1983.

**Sen. W. Mark:** Mr. President, on a point of clarification. Could the hon. Minister indicate whether his Government intends to abolish the Prices Commission, seeing that it has been in abeyance from 1991 to the present?

**Sen. The Hon. B. Kuei Tung:** I did not indicate that that was Government's intention. As a matter of fact, I clearly indicated that it was not the intention of the Government to do away with prices control. It is the intent of Government to use price control as a mechanism that will allow importers and businessmen to remain in place. So that if ever we felt that a monopolistic type of situation was developing we could address it quickly. The Government does not intend to abolish the Prices Commission at this time. What we would like to do is to keep it in place, monitor the situation closely and if at any time there is enough justification for it, that there is need for more basic items to be included, for whatever reason, then the Prices Commission would be reactivated. At this time the Government has taken no decision to have the Commission brought back.

**Sen. Hosein:** Mr. President, can the Minister tell us how his Government intends to deal with the monopoly at WASA?

**Sen. The Hon. B. Kuei Tung:** Mr. President, does that merit a response from me?

When we spoke about prices coming down—and I would like to put this in context of what Sen. Diana Mahabir-Wyatt said—the Government has adopted a



policy of being a facilitator to ensure that businesses flourish. We want to see an open-market type economy. We would like to see the market forces come more and more into play. We really would not want to get directly involved in keeping prices down in terms of having a direct hand in the pricing mechanisms of each importer. That is not what the Government wants.

On the question of under-invoicing, the approach the Government intends to take is to have a proper computerized system at customs that would allow us to track prices over the years. If we are able to create a database that would allow us to maintain some historic data over importation of the same types of goods, it would then be possible to determine whether a particular importer, at any given time, is under-invoicing. That is the best approach to it. Under-invoicing is not the responsibility of the Ministry of Consumer Affairs and Social Services, it is the customs. The only group that we can use to monitor under-invoicing has to be customs.

**Sen. Mahabir-Wyatt:** Mr. President, I wonder if the hon. Minister could tell us whether the ASYCUDA system is expected to take care of this. Secondly, if it is expected to provide this sort of computerized database, when is it going to be effectually in operation?

**Sen. The Hon. B. Kuei Tung:** Mr. President, the answer to the hon. Senator is, yes. That is precisely why we are saying that a computer base is needed to be able to collate that kind of data. In that way one would be able to use up-to-date technology immediately to determine whether there is a major departure from the prices declared by a particular importer at that time. In other words, if a customs officer had a computer terminal in front of him, with a particular importer who was attempting to say that he has paid \$X for a particular good, he would have been able to research it immediately on the computer to determine whether that \$X fits into a particular tolerance using the historic data.

In response to the second part of the Senator's question, the Government was hoping that this would have been more advanced at this time. A pilot scheme was initiated in San Fernando and it is estimated that by October 1, a trial run could be undertaken, and that hopefully it would run without too many delays.

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

When the Prime Minister says that he expects prices to come down, it is not that we, as the Government, will dictate what prices should obtain. What we can do is create the political environment in which business operates, and I say

*Trade (Amdt.) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, September 21, 1993*

political in the sense that, as Members will remember, I indicated that there is a fixed programme of duty reductions that we have agreed upon. Between 1993 and 1998, we are going to move from a high of 120 per cent duties—that includes import surcharges, customs duty, stamp duty—to a low of 20 per cent by 1998.

In other words, because we have a planned programme we would expect that any savings as a result of the reduction in duties will be automatically passed on to the consumer. That is where the Ministry of Consumer Affairs and Social Services will have something to see about. Because they now know that if they look at calculations done by the Prices Division they can apply the reduced duties and assume that, with a reasonable mark-up, prices can come down. It is in that context, therefore, that we can say that because we have a planned phase-down of the Common External Tariff, plus the other tariffs, that we would expect prices to be reduced over the passage of time.

Sen. Hosein also talked a little about the question of the divestment of National Flour Mills. At this time we have not made a decision to divest the National Flour Mills, but we do have it under active consideration. The thinking at this time is that we would want, firstly, to have some liberalization of flour and milk in the initial stages before any divestment of National Flour Mills takes place. Mr. President, this is to ensure that the Government does not sell a monopoly as such. I can give the hon. Senator the assurance that Government will ensure that there is an adequate number of suppliers of flour and milk before National Flour Mills is divested.

Sen. Wade Mark also indicated that there should be more items on price control rather than a removal of them and indicated a number of them. I would like to use one example to show the kind of difficulty that the Prices Division has had in enforcing price control. The example that comes to mind, quickly, is the question of hops. When the Prices Division gave the various prices of hops they classified hops under different weights. We have found that you cannot have a price control by weight, therefore, we tried to use a standard weight and many bakers began to depart from the standard price control weight. It did not make sense. There was absolutely no way that the Prices Division could have continued to try to effect the price control of hops.

Over the years there was a price control that was law—that said it was supposed to be X cents—and everybody knew that every bakery was selling outside the price control because they knew they were selling something different

from what was on the price control. So it did not make sense keeping something like hops on the books as a price control when no one was recognizing it—not the consumer, not the bakery, and certainly not the Prices Division because they were unable to keep on top of that situation.

I mention that because we would like to keep items like that under price control. But we really would prefer to try to keep the items that can be effectively controlled. That is why we prefer to ensure that there is more than adequate supply in the market, because we continue to maintain that if the market can regulate itself, it is the best form of effective control, not the human endeavour of going in there to try to decide whether you are selling your hops at two and a quarter ounces.

**Sen. W. Mark:** You are talking about a perfect market?

**Sen. The Hon. B. Kuei Tung:** Unless you work towards a market, you will never know whether you reach perfection or not. We have to remember also, that subsidies are a luxury at the end of the day. We have recognized that we have been living beyond our means and we need to put our economy back on a firm footing. We cannot do that by trying to find money for everything and, maybe, at the end of the day when everyone looks back, you might be able to say that, at least, the Government attempted to meet as many of the expectations and needs of the public as it could. But subsidies certainly have long been something of the past and we feel at this time, it is better for us to move away from having subsidies and instead having the market, as it were, be the slow regulator.

We talk about divestment of the "family jewels", I think that is the expression that was used. But I need to remind Members of this honourable Senate that these "family jewels" have really not been jewels—certainly not in terms of their performance in the past. I need not remind you about the amount of money—and I am talking about subsidies again—that had to be transferred to companies like BWIA over the years. BWIA has lost, I am sure, over \$800 million in the last six years. That is much money—a lot of subsidies, and I can go on.

Printing and Packaging is a typical example of what has happened. We divested Printing and Packaging and I met with the Chairman of that Company quite recently. Not only has he increased the number of jobs that were there when Government ran it, but he is making money—

**Hon. Senator:** Why?

*Trade (Amdt.) Bill*

*Tuesday, September 21, 1993*

**Sen. The Hon. B. Kuei Tung:** Because it was not being run effectively as a state enterprise. We recognize that, instead of trying to preserve overstaffed concerns, we prefer to try to save the few by people who will run it properly and efficiently, namely, the private sector. That is what is driving us. We are saying we can no longer afford the subsidies to go to state enterprises which are losing money. That, Mr. President, is the basis on which we have said we are unable to continue subsidies.

I have attempted in my winding-up to address many of the issues that have been raised. I thought that the issue was a fairly straightforward one. It was meant merely to correct an anomaly and I would like to thank the Members of the Senate for their proposed support to this Bill.

Let me end by saying, Mr. President, that this matter is one that should have been before this Senate a little while ago, but I wish to move that this Bill be now read a second time.

Thank you.

*Question put and agreed to.*

**4.20 p.m.**

*Bill accordingly read a second time.*

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

*Senate in Committee.*

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

*Question put and agreed to, That the Bill be reported to the Senate.*

*Senate resumed.*

*Bill reported, without amendment; read the third time and passed.*

*Motion made and question proposed, That the Senate do now adjourn to September 28, 1993, at 1.30 p.m.*

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 4.21 p.m.*