

HOUSE OF REPRESENTATIVES*Friday, January 24, 1992*

The House met at 10.05 a.m.

PRAYERS

[MADAM SPEAKER in the Chair]

LEAVE OF ABSENCE

Madam Speaker: Hon. Members, I have granted leave of absence from this sitting of the House to the Member for Ortoire/Mayaro, the Attorney General and Minister of Legal Affairs (Hon. Keith Sobion).

**APPROPRIATION BILL
(BUDGET)**

[FOURTH DAY]

Order read for resuming adjourned debate on question [January 23, 1992]:

That the bill be now read a second time.

Question again proposed.

The Minister of Public Utilities (Hon. Morris Marshall): Madam Speaker, I wish to take this opportunity, firstly, to congratulate Members on their election to this honourable House.

I take this opportunity as well to specially congratulate you, Madam Speaker, on your elevation to such high office in the Parliament of this country. I feel confident, having seen you operate over the last few sittings, that you will live up to the expectations, not only of us in this House, but also, I am certain, of the people of Trinidad and Tobago.

This ought to be an appropriate time as well to place on the record my personal admiration, and I am certain that of my colleagues in this Parliament, of the kind of work that was done by the hon. Minister of Finance in bringing this budget before us in such a short space of time. It says much for the character of the hon. Member. I am certain that he has the gratitude and admiration of all right-thinking people of this country. His was a difficult task, at a very critical time, under extremely difficult circumstances, but it was performed with all the characteristics of true PNM soldiership. In the interest of this nation he rose to the task and we are all extremely pleased.

This budget is being debated at a very critical time in the life of Trinidad and Tobago. Virtually at times one may perceive frightening economic circumstances of one kind or another on the national as well as the international front. Politically, on the international scene, we are seeing all sorts of problems developing that must have implications for us here in Trinidad and Tobago and in the Caribbean region. I think it was the hon. Member for Caroni East who referred to it yesterday in his contribution, when he spoke about what is happening in Eastern Europe and the splintering of those forces there, and the fact that as a result of that, we have a situation where many financial resources, economic funding and so on, that we would have had access to here in the Caribbean region, will no longer be available.

We have seen the emergence of what we refer to as mega blocs in South-east Asia, the European Community and the North American Free Trade Area. We, in Trinidad and Tobago and in the Caribbean, must be fully mindful of this international development, and to ignore it, we do so at our own peril.

From where I stand, I get the impression at times that many of our Caribbean leaders simply do not understand what seems to be emerging and many of them find themselves caught up in their own mindset. I think that the time has come for us if, as a region we are going to come to terms with the critical financial problems that we are facing, we need as a group to seriously address these matters and to take a common position in dealing with them.

Here in Trinidad and Tobago, it was the hon. Minister of Finance himself who referred to the situation when he drew attention on page 2 of the budget, and I quote from his presentation:

“Both the rate of economic growth and the expansion of world trade slowed markedly in 1991. Real GDP in the industrialized countries which had increased at an average annual rate of about 3.5 per cent in the years 1987-90, managed to grow by only 1.1 per cent last year. Similarly, world trade expanded at rates between 6 per cent and 9 per cent in 1987-89, continued at a relatively healthy pace of 4.3 per cent in 1990, but plummeted to a growth rate of barely 1 per cent in 1991. Throughout the last five years, inflation held steadily in the range of 3 to 4 per cent.”

He continued:

"Within this overall picture, the outlook for the United States remains very uncertain. The recession which started in 1990 and was expected to be shallow, seems likely to continue well into 1992. With alarming frequency,

large corporations have been reporting plans for sizeable retrenchment and there is a high incidence of bankruptcies in many industries, including the financial and air transport sectors."

This is what the Minister of Finance had to say about what was taking place on the international front. Right here at home, it was the Minister of Planning and Development who brought some of the stark economic realities to our attention when he spoke on Monday, I think it was. It is important that we understand these things, because, you see, we can continue to "gallery", we can continue to ignore these things, we can continue to play partisan politics, but we would have to accept the consequences. The time has come for us to really face the stark economic reality of what is taking place here today in Trinidad and Tobago, and as I said earlier on, in other major countries of the world.

The Minister spoke about the unemployment situation. If today there is consensus among all of us here in this House, I am certain that we agree that the major critical concern of this country at this time is the question of unemployment, the official figures being 18 to 19 per cent, with all the attendant problems that would emanate from that: the poverty, the hunger, deprivation of one kind or another; the social inequalities and so on. It is a serious situation for us here in the country.

It was the same Minister who went on to talk about the level of foreign reserves, the situation as it relates to our gross domestic product, our foreign debt. These are matters that we have to consider as we debate this national budget that would make available funding and programmes for Trinidad and Tobago in the year 1992.

He went on to talk about the fact that:

"It is estimated that TT \$2.8 billion will be required to meet principal and interest payment on outstanding foreign debt, while \$840 million will be needed to cover the servicing of domestic debt obligations."

We simply have to understand these things, and as leaders, we have to be very clear in our minds that what is important at this time is not simply the partisan interest, but what is important is the interest of Trinidad and Tobago. It is a make or break period for our country.

10.15 a.m.

The measures in this budget were initiated having considered the realities of both what was happening, as I said before, on the international front, in terms of

our commitments abroad and what is happening right here before our very eyes. So, we are in this thing together: those who are on this side, all who are on that side, all of us. That is why the hon. Prime Minister, from day one, as we accepted control of this country based on the decision of the people on December 16, sought to point the country in a certain direction in terms of its administration. So that we are getting across to people that everybody counts; that leadership is not up there and they are down here. It was not with a sense of weakness that he sought to meet trade union leaders; that we sought from day one to initiate dialogue and discussion about the problems facing us; religious leaders as well. Because unless we can pull the various sections of this country together with that one common goal of doing what is right for Trinidad and Tobago, we would always find ourselves in deep trouble.

We are happy that our colleague the Member for Caroni East is here with us, it is not very important on which side he is, he is here in this Parliament about the business of the people of Trinidad and Tobago. You can seek to blame others, but the buck must stop somewhere, and I am saying that at this time, the buck stops on our desks here in this Parliament.

So, success to a large extent depends on how we perceive these things and how, as leaders, we seek to deal with them. This budget, as I said earlier on, is being presented to deal with and address the realities. We have to deal with them and attempt, in some way, to stabilize the unfortunate economic fallout that we have experienced for some time. We need to give the large mass of our population a fighting chance. That is part of the intention of the budget, part of the plan.

We, also, through this budget, must live up to our commitments to the population. We simply could not say that we should have dealt with that public servants matter and not come and do it. What that would have resulted in—and I think it was the hon. Member for La Brea who dealt with that, quite appropriately—is the creation of a situation where the population would lose confidence in what we are seeking to do. It will also send very incorrect signals in terms of our commitment to justice and to the rule of law, because it is a court decision.

We are also seeking, quite rightly in our view, notwithstanding what the forces on the other side have been saying, to at least start the process to ease the burden on the poor and the weak, economically. There are specific measures in the budget that sought to do that. We are not going to be able to achieve everything overnight, but the important point is to send the right signals; to start

somewhere. So the question of the removal of VAT on school books and medicines and so on, is part of our pre-election campaign, and again more importantly, our commitment to treating with those problems at that level—we said we were going to do it, we had to do it, and we did it.

The increase in the payments of old-age pension and social assistance benefits is not much, but it is a start. So, the amount old-age pensioners have been receiving will be increased from \$315 to \$347; social assistance for adults will be raised from \$92 to \$101, I think it is, and for children, from \$80 to \$88. We have to start somewhere. We also have the question of the implementation of a trade union membership allowance. It is not simply a question of being able to claim that, but again, it emphasizes, our strong commitment to the trade union movement. These are some of the measures.

The increase in the rate of corporation tax from 40 to 45 per cent, so that we can take a little more from those who are well-off and make it available to the thousands of others who are experiencing pressure of one kind or another. Let me make it clear, it is not that we are having any problems with those at the top who have been able to do well, economically, but we are saying that it is important for us to understand that if you want to continue with a situation where a small group enjoys the best, and the mass population continues to “eat the bread the devil knead”, well then we must also be prepared to accept the consequences.

The PNM is an administration for all the people of Trinidad and Tobago and our policy would be geared towards treating with all, making the emphasis and our basic principle, as I said before, the question of equity and justice.

These are some of the measures that we identified and initiated to bridge that gap somewhat, to start it, and to let people know, as another Member said yesterday as well, that people in the plains of Caroni as well, people in the hills of Laventille, in Sea Lots, must understand that this country is theirs as well, that they are part of what is happening, and they, too, have a role to play. And also that there is a government in control that cares about their interest.

There are a number of incentives as well to ensure that the construction industry can begin to move forward. The decision to permit investments of pensions and statutory funds of insurance companies to be amended to increase the percentage that can be loaned on mortgages of real estate or leaseholdings, from 75 to 85 per cent is a step in the right direction. The ability of pension fund contributors to finance the downpayment on a first home is also another very

positive move. Then we have included in the budget a tax relief to home-owners up to a maximum of \$12,000 per annum spent on repairs on owner-occupied residences. All these things together will do something to get the construction industry moving, creating jobs: masons, carpenters, painters, labourers and so on.

But I must say that there is need for us to ensure that effective amenities are in place to reduce and if possible to eliminate the possible abuse of this particular measure. However, I am certain that it will go a long way to revitalize the construction industry and so assist in providing urgently needed jobs, even if it is on a short-term basis.

10.25 a.m.

So Madam Speaker, a serious, honest analysis and objective of the budget presentation must establish that there has been a concern coming through for the poor, the needy and the working class people, and while we are expected to do more—we will do more in the long run—we have decided we must start at some point and this is where we are going.

I want to spend a little time now talking about areas that come directly under my control as Minister of Public Utilities. This is not an easy ministry. There are, no doubt, difficult and far-reaching challenges in the Ministry of Public Utilities. We are talking about areas that have direct linkages with all our citizens. We are talking about water, T&TEC, PTSC and we are talking about telephones, and I can tell you—I am certain that my other colleagues have been experiencing tremendous pressure over the last two or three weeks about our stewardship as the Government of this country.

That is not easy, but in terms of my ministry, I have always accepted my challenges, I have never backed away from them. I accept all this with humility and with confidence that I shall be able to rise to the occasion. And I will do whatever I possibly can to provide Trinidad and Tobago with the level of public utilities to which it is entitled. It is not going to be easy. I know that it is going to be a difficult task, but once you level with people, you take the people of the country into your confidence—the workers at the plants, whether it is T&TEC, WASA, or PTSC—I am certain that with God's support in the long run, we shall be able to achieve our objectives. The present Government, therefore, in keeping with our manifesto pledge, will implement policies aimed at streamlining our utilities for maximum benefit at minimum cost, while providing relief for the less fortunate in our society in keeping with the PNM's caring philosophy.

I want to talk firstly about T&TEC. As we look at T&TEC there is no doubt that we all acknowledge that electricity has evolved from being a luxury of 50 years' ago to being an essential ingredient of our lives and a major factor in national development. Our quality of life, entertainment, security, food preparation, service sector, agricultural and manufacturing sectors all depend on the availability of the safe, reliable and competitively priced supply of electricity. It is very important. The electricity subsector has become a critical element of the country's infrastructure. Full recognition of this was given during the petrodollar years when a capital investment of about \$1.1 billion was made in new generation, transmission, distribution and related facilities over the period 1975 to 1986.

This country continues to benefit from that major investment as reflected by the fact that no new investments have been made over the last five years, without unduly affecting the quality of electricity supply. It is however a situation that cannot continue indefinitely and will have to be addressed with urgency. The number of customers in 1981 stood at 296,000 or thereabouts including 266,000 residential customers, 28,300 commercial, 1,900 manufacturers. These required 570 megawatts with an anticipated growth to 640 megawatts by 1984; 700 by 1987 and 760 by the year 2,000. A natural gas consumption of 130 megacubic feet per day was needed in 1981. To support this demand in electricity T&TEC consumes about 25 per cent of the total natural gas utilized in the country. These facts are presented to this House, firstly, to emphasize the earlier point of how important a role electricity plays in natural development and, secondly, to provide some indication of the challenges that face this subsector and the Trinidad and Tobago Electricity Commission over the next five years.

On the basis of initial revenue and against the background of the commitments made by this Government to the electorate, the major challenges facing this commission are:

- 1 Ensuring that electricity remains available and affordable to all householders in Trinidad and Tobago;
2. Designing a tariff structure that provides competitively priced electricity for the manufacturing and services sectors;
- 3 Obtaining capital for new investment to meet the projected increase in demand and to replace ageing plant.

At this stage T&TEC is anticipating a need for an additional 100 megawatts of new plant by 1994 followed by another 100 megawatts by 1996 based on an updated generation expansion study recently completed by T&TEC. Another important

challenge is the continued maintenance of the existing plant to ensure the reliability and safety of the system and the protection of these major investments made over the years. Increased attention is being given to the human resources, including the improvement of the industrial relations environment and the training of our young people in the skills to support the subsector. This is going to be very important, the question of industrial relations environment. I think it was the Prime Minister himself who made the point that it is a major requirement for economic success, industrial peace, as he put it.

The adoption of conservation measures including a tariff structure that inhibits the use of electricity, the development of a programme that will bring good service to the rural and remote areas in support of the fishing, farming, small food processing activities and cottage industries; to ensure that both installation facilities and with the construction of its transmission and distribution plants, appropriate safeguards will be taken to protect the environment of the country. The other challenge is the large foreign exchange demand by T&TEC for equipment, spare parts, etc. These challenges are complex but will have to be met over the next few years.

Some of the measures that will be taken to do that are: to effect a utility rate for domestic customers that will follow a sliding scale aimed at producing a direct relationship between the level of charges to usage at the upper end of the range. The lower end of the range will allow for reduced charges at minimum consumption levels. I will say more about that as we go along, Madam Speaker, in terms of what is before the Public Utilities Commission at this stage.

It is necessary that there be an examination of various innovative options that may be available to provide required new plant identification in consultation with the unions that represent the employees and also of factors that inhibit improvement of the industrial relations climate at T&TEC. We have to get the unions involved. They have an interest.

Also, there is the question on the enhancement of the apprenticeship training scheme at T&TEC and the formulation of a national programme that targets energy conservation. These are some of the challenges, these are some of the approaches.

T&TEC's financial state is extremely tight. The commission last operated at a profit in 1973. The accumulated losses as of December 31, 1990 were somewhere around \$209 million, with a projected deficit for 1991 of \$96.3 million. Lately they have been talking about the need for additional plants and so on. The impact of the interim increase of 12.8—it is said that the commission has a long way to

go in dealing with its own concerns and as Minister I am going to be there to ensure that those concerns are addressed in the interest of Trinidad and Tobago.

10.35 a.m.

I want to make one more point and that is the question of the application before the Public Utilities Commission. As you are aware, there was an allocation of 12.8 per cent interim. This has resulted in a move from 17 cents to 19 cents to the lower income groups—persons who utilize about 300 units for average service; a radio, a few bulbs, an iron. The matter is still before the Public Utilities Commission to be finally settled. I give the assurance that we will seek to assist that group which represents, I think, about one-third of the domestic customers. If there is going to be any increase at all, it will be quite minimal for persons in that group. As you begin to use more electricity, and you want to have air-conditioning units and electric stoves, you are going to have to pay for it.

That is T&TEC, a serious situation. The emphasis is to ensure that T&TEC is able to live up to its responsibilities to this country. Several reviews of various aspects of the commission's affairs will take place so that we could point the commission in the direction that it ought to be going to ensure that it gets on an effective viable footing.

Another area of concern is the Public Transport Service Corporation. This Government in its 1991 manifesto made a commitment to ensure safe, efficient and reliable public transportation for the entire population. The Public Transport Service Corporation is an integral part of the country's public transportation system. It is noted that in keeping with the corporation's 1989—1993 strategic plan, which is now in place and the existing resource constraints, initiatives were taken by PTSC in several areas, and there are about three areas which I want to mention.

One is the transit service, which is geared towards providing subsidized services on the major trunk routes of the nation. The corporation is at present in the midst of a major rehabilitation project designed to increase the size of its transit fleet. The project involves the refurbishment of 59 Leyland National buses 1 and 2. To date 37 units have been put back into the service. These units have improved the service along the Priority Bus Route as far as Arima as well as to Chaguanas and Carenage.

There is also what is called an express commuter service—so-called luxury service. This is an unsubsidized service. It provides a public transport service on

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selected high volume routes at fares which are designed to recover the full cost of ownership and operation. The service started early November, 1991 on two routes—Port-of-Spain to Arima and Port-of-Spain to San Fernando. Two more routes—Port-of-Spain to Tunapuna and Scarborough to Crown Point have since been added. The remaining buses will be in service by the end of this month. I think that there are 80 such buses.

There is a third area and that is the maxi-taxi concessions. In June, 1991 the corporation started a pilot project administering maxi-taxi concessions providing transport to and from schools in rural areas on behalf of the then Ministry of Works, Infrastructure and Decentralization. The initial project involved some six vehicles servicing four schools. The scheme was extended and by November, 1991 there were some 30 vehicles servicing 15 schools on 18 routes. I understand that the service provides accommodation for 2,300 students per day. I have been informed that there are strict controls on operators' attire and deportment and the volume and type of music to be played in the vehicle. The service is monitored by an inspectorate from the corporation as well as through feedback from school principals, committee organizations and parent/teachers' associations.

This is what is in place at this time but I am still very uncomfortable about this arrangement with maxi-taxis. It is my intention to assess it and to assure myself that it is in fact operating in the best interests of Trinidad and Tobago and particularly our young people.

The whole question of that strategic plan by PTSC, 1989—1993, will be reviewed to see if it is meeting the vision and mission of the present Government. While that is happening, we will seek to streamline the operations and put in place one or two measures that will help to make it more effective.

One of the things I want to mention here is that the management of PTSC will be instructed on Monday to take the necessary action to initiate, on a limited scale, a school bus system for the children of Trinidad and Tobago. We cannot, at this time, go the route that we wish because we do not have the resources, but we intend to start in two weeks' time, and as additional resources are made available, we are going to increase the number of vehicles and other equipment for this particular service. You see, an investment in our nation's children is an investment in the future. We are a Government with a strong commitment to education, so we simply cannot sit back and do nothing about that.

I will be holding discussions with my colleague, the Minister of Education, and we want to start in the more critical areas, based on the advice I receive from

him, such as Port-of-Spain and environs, Arima and environs, La Horquetta, Maloney; Las Cuevas, Maracas, Maraval, one or two areas in Toco, certainly one or two of the critical areas in Tobago. Black Rock, Bon Accord, Lowlands, Canaan and Coral Gardens are some of the areas identified. We will be dealing with areas deep south and central Trinidad as well, as we seek to make at least some of the resources available across the country in critical areas. This is not a partisan matter. It is an approach for the nation. We cannot engage ourselves in partisan politics morning, noon and night. This is the present situation.

While that is happening, we will seek to heighten the efforts to refurbish these buses. I will also instruct the management of PTSC to adjust that special luxury service with the intention of making some of these buses available on the regular transit route. We want to make it clear. It was never our intention to use these buses for the school bus service. Nobody ever said that, and that is not the position. What we are seeking to do is that as we move one or two of the buses from the regular transit service, we can then replace them with a few of those so-called luxury buses. I am seriously considering putting together a small committee of interested persons to come up with a long-term plan to provide an adequate bus service for the children of Trinidad and Tobago. So that is still engaging my attention and I will say something about it in due course.

10.45 a.m.

In view of the number of complaints to me from various persons about contract workers at PTSC, it is also my intention to review this entire question. So I am going to be doing that as well. So at least we are starting there. It is my intention to make on-the-spot visits; I am going to be checking personally at some time the maxi-taxi operation to see how it is functioning, from my point of view, and to see whether it is something useful to the corporation and useful to the country.

I make no apologies for making unannounced visits and unannounced checks. And not only at the PTSC, but also at any of the utilities under my control, and we will seek on a continuous basis to improve the management and to deal with some of the minor areas that we can treat, for instance, the question of people queueing up. That is not a major point: We have to be able to do something about that. It is very unfair for someone to wait for an hour on a bus and when the bus arrives, somebody who has just turned up, would just pass around, jump the queue and get on the bus at the expense of that other person. That is indiscipline at its worst and I am saying that we need to do something about that. So that is PTSC, that is T&TEC.

One of our biggest headaches is the Water and Sewerage Authority. The Water and Sewerage Authority has been mandated in accordance with Act 16 of 1965, Chap. 54:40 to provide our citizens with an adequate and reliable supply of potable water; effectively collect, treat and dispose of waste water and also to promote the conservation and proper management of the country's water resources.

Within the last five years the Authority suffered severe cutbacks in its budgetary allocations. During this period a total of \$514 million was required to fund the Authority's capital works. However, it should be pointed out that while budget provisions were at an overall \$190 million, only \$78 million of this sum was actually released to the Authority for the period. Obviously, it holds some implications for the effective management of the utility.

You will have known that some time ago the Government of Trinidad and Tobago sourced a loan from the World Bank and a Japanese Bank as well that required certain adjustments in conditionalities, both at WASA and T&TEC. One of those conditionalities is the reduction of the workforce. That has been a source of contention. But during that period the workforce was reduced from 4,669 to 4,351 (the 1991 period) which resulted in a total saving of \$4.5 million. The actual employee connection ration by the end of December 1991 was 23.2 per 1000. This is somewhat short of the targetted ratio set by the World Bank.

But dismissing workers must be the very last resort. I think where the Authority needs to zero in is on building up its customer base. Because there are quite a number of persons, as I understand it, who are not on the listing of the Water and Sewerage Authority. So that is an area we need to pay some attention to, and that is the area in which we will be going.

The financial position of the Authority is indeed cause for grave concern, particularly as public expectation is for a regular supply of potable water and safe sanitation facilities. Unfortunately, the Water and Swage Authority in many instances has not been able to satisfy these demands as a result of insufficient revenues compounded by the curtailment of credit by some of its suppliers. Every day you get all sorts of reports, people calling from varous places, they have not had water for some time. I have asked the authority to give me some deails in terms of addressing the short-term concerns. I have also written to all Members of Parliament—rather than we see it in the newspapers—asking them to tell me the situation first and let me see if we could make an attempt to treat those concerns. The respective officials at the Authority are expected to give full assistance to any Member of Parliament with respect to matters relating to his or her constituency.

Madam Speaker: The Member's speaking time has expired.

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

Question put and agreed to.

Hon. M. Marshall: Thank you very much.

We need to increase our supply. It was the hon. Minister of Development who mentioned that a water supply project at St. Patrick will be initiated this year, and that will deal with some of the major concerns in those areas. There will also be a project in Tobago that will deal with some of those concerns there as well. These matters were raised by the hon. Minister. While we do that, we will seek to introduce on a continuous basis, a conservation programme. We are also seeking to deal with the problem of water loss, which is about 30 to 50 per cent. The introduction of metering is also a matter that is going to be getting the attention of the Authority, all aimed at improving the system at the Water and Sewerage Authority.

It is also important to note that significant progress has been made by the Authority in the execution of the IDB funded studies which are intended to assist the organization in drawing up its implementation plan; to improve its operational efficiency, and to assist it in achieving financial viability. The following studies are substantially completed:

- 1) The institutional strengthening of WASA;
- 2) Cost benefit analysis of universal metering in Trinidad and Tobago;
- 3) Feasibility study to determine methods of leak detection.

which is most important. The reports mentioned have been submitted and recommendations made.

So we continue as we get into the meat of the respective utilities to address both the short-term concerns, given the limited financial resources, and the long-term ones.

As I said earlier, we are talking about a difficult ministry where expectations are high, people simply want to ensure, notwithstanding what you may say, that they are able to turn on their taps and get some water or obtain electrical power, or get a bus. The challenge is fully accepted to deal with these concerns and I am certain that things are going to work out.

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Finally, our approach in this regard is in keeping with the PNM's historical commitment to the people of Trinidad and Tobago as far as economically feasible to provide them with what they are entitled to. We make no apologies for that. So this talk about new PNM and old PNM, in my view, is absolutely irrelevant. Because if by ensuring that our people obtain the kind of services that they are entitled to, whether it is from WASA, whether it is from T&TEC, whether it is a question of housing, whether it is a question of education—because that has been the historical objective and mission of the PNM as stated both in our People's Charter and our Chaguaramas Declaration—if that prompts the reference to us as old PNM, then we plead guilty. We have no problem with that. But if by terming us, “the old PNM”, those on the other side believe that the PNM will tolerate inefficiency, waste and corruption and so on, I want to let them know that is not the case. The mission of today's PNM has been and will always be a mission to ensure that we have a better and more progressive Trinidad and Tobago for all our citizens.

Madam Speaker, I really want to thank you very much for giving me an opportunity in this House to deal with some of the matters I have raised. Thank you very much.

Mr. Krish P. Jurai (*Nariva*): Madam Speaker, before I begin to make my contribution to the budget debate, I wish to add my quota of congratulations to those already offered to you on your accession to such high office in this honourable House. I also wish to extend the congratulations of my constituents of Nariva. We wish you well, and Godspeed in this House.

Madam Speaker, I also thank the Member for Laventille West for a lovely letter which he has written to me, in which he said he is the Minister of Public Utilities, and he outlines the areas for which he has responsibility. I should like to read one paragraph which interests me very much, which says:

"I wish also to request that you provide me as soon as possible, with any information relating to current problems in your constituency."

I wish to tell the Minister of Public Utilities that I do not envy his position, I wish him well in that office. But I also want to tell him that he will not only be hearing from me, but also from all the Members on this side of the House, of all the problems and difficulties we encounter in our various constituencies.

The Minister of Finance in his budget speech stated that he wishes to achieve three broad objectives:

- 1) Growth of the economy;
- 2) Reduction of unemployment; and
- 3) Increasing the level of foreign exchange reserves.

However, it seems to me that the budget will have the opposite effect. The PNM in its manifesto has said that non-oil companies will be exempted from value added tax, and from corporation tax.

Mr. Valley: Madam Speaker, please, if the hon. Member would allow, I wonder whether the Member could inform us where in the manifesto we said that we would exempt non-oil companies from value added tax.

Mr. Jurai: My apologies. It is in the budget.

Mr. Valley: Madam Speaker, would the hon. Member read the provision in the manifesto or the budget to which he refers.

Madam Speaker: I think he is saying that he has made an error. Maybe he can just correct it. I think he is saying that it is in the budget and he used the words "corporation tax". Maybe you should give him a minute to collect himself.

Mr. Jurai: My apologies. But the increase in corporation tax will definitely negate what the Minister proposes, because it means that taxes will be increased from 40 to 45 per cent, and this means that there will be less investment, hence less export, less employment and less foreign exchange. Furthermore, the increases in the taxes on rum, beer, gasoline and sugar, which are some of our exports, will lead to higher taxes and as a result will lead to decline in consumption and also a decline in exports. So there we have a contradiction. If I may just go back to the question raised by the Leader of Government Business. The manifesto says on page 14:

"...review the general rate of corporation tax in the non-oil sector with a view to allowing these firms to finance their growth through retained earnings and to position them for competition in external markets."

I take it that answers the question.

The Minister of Finance also increases the rate of taxation of those persons earning \$20,000 and over per year. This group is largely responsible for savings and investment in the economy, and I am sure that this will have an adverse effect on savings and investment, hence the unemployment situation will not be relieved and certainly it would lead, also, to a decline in exports.

[MR. JURAI]

The Minister of Finance further stated that investment will be encouraged in agriculture. May I remind him that the development of agriculture has been the so-called policy of the PNM since 1956. Whether it is old PNM or new PNM, it is the same PNM. We have never had, to any great extent, investment in the development of agriculture under the past PNM Governments, nor do I really hope to see it under this one, judging by our past experience.

As shadow Minister of Industry and Commerce, I am gravely concerned, because the Minister of Finance is totally silent on some of the major factors affecting the agricultural sector. For example, the subsidies that are due to cacao and coffee farmers and to coconut producers are not paid on time. Sometimes they are paid six months or one year late. I understand sometimes it is not paid at all, and these are the things that the Minister should be concerned about if he wants to see agricultural growth in the society. Because the farmers depend to a large extent on the subsidies so that they may inject this back into agriculture and boost their production.

I also want, by way of example, to say that agricultural workers are the most depressed section of workers in the economy. If we look at copra production, which is a large industry—it stretches from Manzanilla to Toco, Toco to Mayaro, the entire southwest peninsula of Trinidad. In Tobago there is also a large coconut industry. By extension, we can also add the coffee and cacao industry. When farmers do not get their payments in time, when there are ready markets for these products, it means that the farmers are left in a dilemma. What do they do? They turn to drugs, they turn to stealing and other associated crimes. It leads to disruption of family life and the general deterioration of the social and moral fabric of the society.

We must not be concerned only with dollars and cents, we have to be concerned with the people. As someone on this side said in this House, it is not the statistics, it is the people that we deal with. We have to be very concerned with human suffering in this society.

In addition to what I have mentioned, the additional increase in the price of gasoline will lead to an increase in the cost of transportation, increase in the cost of labour, spare parts, fertilizers, which the Member for Caroni East mentioned earlier, land taxes and so forth. All these factors put together will increase the cost of production of agriculture. So how can we compete in the foreign market when our costs are rising! As I said earlier, the measure that the Minister of Finance has indicated in this budget will have an adverse effect; we may not have that export thrust which this Government expects.

The survival of the agricultural industry is vital to this nation. It is labour intensive. It employs the rural population, those who cannot find jobs in the city, in the towns, in the villages, in the small towns and in the larger ones. So if we promote agriculture, it means that a large section of the population will be given employment in the places of their abode or in close proximity.

I also wish to highlight the problems faced by the farmers in my constituency, which is Nariva. In the early 1950s, that is before the PNM came into power, some irrigation work was done for rice production, I think it was about 1,200 acres. The PNM have said in their manifesto that they are interested in promoting agriculture. Since that project was undertaken, very little has been done to promote agriculture in the Nariva Swamp. May I remind this House that the Nariva rice growing area is fast becoming the rice bowl of the nation. I quote just two figures here: rice production figures in Trinidad and Tobago in million pounds: 1985, 2.8 million pounds; 1991, 25.1 million pounds.

It is estimated that approximately 80 per cent of the rice produced in Trinidad and Tobago comes from the Nariva Swamp. If we turn this rice production into dollars and cents, it means, therefore, that we have saved or we are saving at the present level of production, \$10 million in foreign exchange per year. The implications are direct and indirect: we are producing rice for the home market, and we are also saving large sums on foreign exchange. But the farmers in this constituency and in particular the rice farmers have no roads to go to their fields, they have no bridges.

As a matter of fact, on my visit to the constituency last week, in that area in particular the farmers were appealing to me, they wish to build a wooden bridge. They have the lumber on hand which is piles which they have brought from the forest; it is long piles, 30 feet long, very heavy lumber. But they cannot get it to the site to construct the bridge. The reason for this is that apart from the length of lumber, tractors are refusing to go there. The roads are in a terrible condition. I want the Minister of Agriculture to know this. I am sorry he is not here this morning. We need immediate attention in that area because we are saving valuable foreign exchange—which the Minister of Finance says in his budget that is what he intends to achieve.

11.15 a.m.

I want to go further on the question of the Nariva Swamp. Apart from the area that was irrigated in the 1950s, very little has been done by governments since. But within recent times, I understand a number of farmers went into the area and

[MR. JURAI]

began irrigating the swamp themselves—mind you, these are the same farmers about whom I have just spoken, who are producing the rice. They are doing a marvellous job because they are feeding the nation. I have no quarrel with them—whether large farmer or small farmer. What bothers me most is the haphazard manner in which this irrigation is being done—it is destroying the life of the swamp. I urge the Minister of Finance to investigate this as early as possible and take action to rectify the situation.

I also want to tell this honourable House that as a boy I grew up in the Plum Mitan area and I have criss-crossed the Nariva Swamp several times. The reason I am saying this, is that to my mind there are some things in that area which are unique, and which ought to be preserved. Several Members here may not know that we have a hot mud volcano in the Nariva Swamp. There is also a water spring on the high-rise sand hill area of the swamp. Apart from that, we have the wild life—the red howler, the white howler, lappe, agouti, deer, tattoo, and all forms of wild life existing in the high-rise area of the Nariva Swamp—Bois-Neuf and Bush Bush areas—and we must take immediate steps to preserve all this. I must also add that the Pawee or wild turkey which is almost extinct can still be seen in the Nariva Swamp, and unless we take immediate action to protect this bird, it will be as dead as the dodo. In addition, there are numerous birds that live in their natural habitat in the Nariva Swamp.

The reason I am saying this is that the Nariva Swamp can be developed for two purposes: one, for growing rice on a large scale because there are some 60,000 acres of land to be developed, and, two, we can preserve these things which can be a boost to the tourism industry. So you are therefore achieving two goals at the same time.

In addition, my constituents are crying out loudly for the distribution of lands. I am talking here about farmers who are genuinely interested in the production of agricultural products. They are also interested in the security of tenure. I mention this here today because people who have been occupying lands for 20, 30, 40 years, and so on, have been labelled “squatters”, and are driven off the lands by the authorities. I think this question ought to be addressed as early as possible. And I am sure this does not only apply to Nariva but also to other areas throughout the constituencies.

The Minister of Finance in his budget stated that motor cars will be removed from the negative list, and I know there was a sigh of relief in many quarters for this. But are we really concerned about solving the unemployment situation in this country? Every car that is imported will have a direct effect on the assembly

line. So why the haste at this time to import motor cars, when we talk about scarce foreign exchange? Are we trying to put dollars into the foreigners' pockets? We have to think of our own people here, our unemployed. Therefore, if we do not seek the interest of those who are engaged in the motor-car assembly plants, and the downstream industries, it means that they also will be thrown on the breadline. We have to ensure that their jobs are protected and also that the unemployed are brought into the earning stream.

While on the subject of motor vehicles, I wish to point out that the main arterial roads in the constituency of Nariva are in a deplorable condition—riddled with potholes, landslides; some of these potholes can now be described as craters. The condition of the roads does not affect only motor vehicles, it affects electricity, telephone, water. People are reeling under the pressures that they have to endure daily in my constituency—cars are broken down daily, people complain about the high cost of spare parts. I urge the Government to look closely at the condition of the roads in my constituency. And this would also apply, not only to Nariva, but throughout Trinidad and Tobago.

I mentioned the roads, in particular, because this does not affect only the motorist who wants to drive on a smooth road; it affects exports as well. Because if your roads and bridges are not in place, and in good order, it means that the people would not be able to transport their products to the market. If they do, it would be under increased cost because the truck driver may say, "I am not going, the roads are bad. If you want me to go, you will have to pay me additional cost." So we have to look into the condition of the roads and all the other infrastructure in terms of earning foreign exchange.

We have only to look at the case of the fish farmer at Mayaro. He cannot cross the Mitán River at Cocal because that bridge has been broken down several months ago. So what does he do now? He has to go all the way around to San Fernando, or through Río Claro, to come to Sangre Grande, and then into Port-of-Spain, or wherever the market is. This would certainly increase his cost of production. So there again, we would be unable to compete in the foreign market. Needless to say, we have to pay close attention to all these matters as they affect other people.

11.25 a.m.

I want to delve a little further into the subject of bridges, and point out at least three bridges in my constituency that affect the people in their daily lives. I have already referred to the Mitán bridge. I now want to mention the Sangre Grande

[MR. JURAI]

River bridge on the Cunapo Southern Road. This bridge collapsed over a year ago and to date it has not been fully repaired and reopened to traffic. The span of the bridge that is being repaired is only about 20 ft. long—half of the span of the bridge; and work has been going on there for the past six months or so but this bridge is yet to be opened. I urge the Minister of Works to look into this as early as possible.

The other bridge that concerns me, is a small one in the remote village of Tamana on the Martin Road. It concerns me very much because there is a school at one end of that road and children are faced with problems in getting to school. The original bridge was removed so that a new one could be constructed. In the meantime a makeshift footpath was provided, but the footpath is just above the low water-mark and whenever it rains, as it frequently does in Tamana, the bridge is submerged and these poor little children cannot attend school, nor can the residents in the area attend to their chores.

While on the question of bridges, I may as well highlight the water woes many constituents endure daily. The constituency of Nariva has a large supply of water sources. What is needed, therefore, is a channel for bringing the water to where it is most needed and that is in the centre of the population. Pipelines that were installed over 40 years ago, when the population was very small, are still in existence although the population has grown somewhat tenfold. As I said earlier, the water problem is further aggravated by the landslips all along the road.

I want to tell the Government that if they cannot solve the problems of this country, we in the UNC are full and overflowing with ideas for solving the water problems and all the other problems. If they cannot perform, it means therefore, that we shall have the opportunity very soon of replacing them legitimately; we shall be on the other side doing our duty for the benefit of the nation as a whole.

Within recent times there is a tendency for large economic blocs to emerge, namely, the North American Free Trade Area, the European Common Market, and so forth. The Minister of Finance stated in his budget speech that the development of the North American Free Trade area could potentially dilute the already limited benefits that were negotiated under the Caribbean Basin Initiative; likewise the single European Market may adversely affect existing marketing arrangements in Europe for our petro-chemical products—urea, ammonia, methanol and so forth. The Minister has further stated that as a result of the emergence of these economic blocs, it will be extremely difficult for Trinidad and Tobago and Caricom to survive on our own.

We in the UNC recognized this fact a long time ago, hence this is one of our stated policies in the UNC manifesto. We have stated in our manifesto that we must negotiate a treaty in order that there be free movement of labour, capital and goods on a bilateral basis with the United States of America. I urge the Minister of Finance to use our system and I am sure my leader would have no objection to this for this is the only way that we can solve the unemployment problem in this country, the only way that this country can move forward and have true economic growth and prosperity.

Madam Speaker, the three other topics which I am going to make mention of are situated in the constituency of Toco/Manzanilla, but they also service my constituency. If the hon. Member for Toco/Manzanilla had the interest of his constituents at heart, I am sure he would stand side by side with me on these issues and give his full support.

The Sangre Grande District Hospital was built some 40 or 50 years ago to serve a very small population at that time, and in spite of the passage of these years, the hospital has remained virtually the same. Inside, the conditions are in a terrible state and we must also remember that this hospital serves people as far as Toco and Matelot in the northeast, Valencia in the west, Manzanilla and Mayaro in the east; Biche, Plum Mitan, Cumuto, Sangre Grande, Tamana in the central area and so forth. It is therefore urgent that this hospital be upgraded to modern standards and be fully equipped to handle the kinds of problems and difficulties which hospitals are expected to handle. We must also bear in mind that the hospital also plays its part in the export industry, to the extent that if people are injured on their work-sites it is possible that by the time they reach Port-of-Spain they are dead. But if the hospital had the right facilities in place, possibly, those lives can be saved. For these workers, and I hope every other worker, would have a vital input in the industries in which they work and this could possibly affect our exports.

11.35 a.m.

The market at Sangre Grande is a run-down, dilapidated building infested with rats, roaches, stray dogs and cats. It is a building which is very old. It is low, very hot and humid. The vendors of this market are scared of it like the plague. They prefer to sell on the pavement. It is not that they wish to sell there or to be there, but they avoid the market because it does not provide the service that a market is supposed to provide. As a result, there is severe traffic congestion in the town. I would therefore urge the Minister concerned to ensure that a proper

[MR. JURAI]

market is provided to the people of Sangre Grande so that it would ease the congestion which has been plaguing this area for the longest time.

I wish to refer to the Sangre Grande Police Station. To my mind, that is, without doubt, the best antique that we have standing majestically in the middle of the town. I assume previous Governments have recognized this, hence they have not tampered with the building and left it in its original state.

I must commend the officers who work at this station under the most trying conditions. The building is dilapidated, cramped, falling apart and the roof is leaking. I am told that the officers who sleep in the building cannot shift their beds anymore. Because of the leaking roof they have to sleep under plastic. Whether this is so or not, what I know is that this building needs to be torn down and replaced with a proper and up-to-date police station.

I now refer to electricity in my constituency. Outages and blackouts are the order of the day. The reason for this is simply lack of maintenance. The electricity poles are rotten, and need to be replaced immediately. When electricity goes for days it leads to serious discomfort and serious losses. For the first 15 days of January, 1991, the Biche and Plum Mitan areas had electricity black-outs in the first instance for three days, and on the other occasions, for two days each. So you have had five days without electricity in a span of 15 days. This is a very serious issue, and as I said earlier, this would have its direct effect on our export thrust, because we have fishermen, poultry farmers, small businessmen and the like, who are engaged in the export business and who suffer terrible losses as a result of these outages. When electricity poles collapse, that can have very damaging effects. We know the gravity of the situation that can arise, and I therefore urge the Minister concerned to look into these matters as early as possible.

There is a unique problem in my constituency which, I think, perhaps no other constituency experiences. The problem is gross. Members may cringe. It may even upset stomachs. In Cuche, in the Biche area, there is a cemetery, and adjoining this cemetery is a garbage dump used by a county council. Raw garbage is left in the open for days and weeks. As a result of this, there are literally hundreds, if not thousands, of corbeaux converging on this dump, day in and day out.

When I first saw this, I thought it may have been a shallow grave or something of the sort, but further investigation revealed that the dumping ground had been there for several years. It is a sad sight. Every tombstone, every tree,

every branch, every home, is covered with these unsightly birds. People have to literally fight off the birds in order to conduct their funeral services. This is tantamount to sacrilege.

Mr. Bereaux: Madam Speaker, would the Member give way to a question, please? Would he say which party controls that county council?

Mr. Jurai: I understand it was before the NAR.

This is a vicious and heinous crime which my constituents endure daily. These birds perch on people's rooftops and even alight inside their homes in their hundreds. It is a sickening sight and certainly it is not healthy either, because people in this area have to depend on rain water for their domestic use. A cold shiver surges through my spine every time I think of this ghastly sight. People in this area are asking, what they have done to suffer this fate, because every effort to solve this problem has failed so far. I am therefore appealing to the Minister of Health and the Minister of Local Government to look into this matter with utmost urgency and have it resolved.

I cannot conclude unless I make a few comments on some of the observations on this budget debate. The Member for La Brea went into great detail to show why we should switch to CNG, a compressed natural gas, as the alternative fuel for motor vehicles. What his arguments really boil down to is that it is a cheaper and safer fuel. I wish to remind hon. Members that the Minister of Finance chose to use the big stick on the people of Trinidad and Tobago by increasing the price of gas, without providing the necessary facilities first for switching to natural gas. I should have thought that the facilities would have been in place first and then the increase in the price of gas. So that you have no choice, you must go CNG.

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

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

Question put and agreed to.

Mr. Jurai: Thank you. To my mind, therefore, the infrastructure should have been in place and then we increase the price of gas. So you had no choice, you had to switch to CNG. If the Minister of Finance wishes this nation to switch to CNG, then certainly in his budget speech he should have given financial incentives to other people, apart from NP, to set up stations for CNG. Likewise, he should have also given incentives to people interested, to enter the field of the conversion

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kit for CNG. My own feeling is that this CNG conversion kit business is reserved for a select few.

11.45 a.m.

If the Government is serious about economic growth and expansion of trade, it must immediately ensure that the Monopolies Commission is in place, and with sufficient teeth and power to monitor and prevent the rise of monopolism. Not only monopolies but cartels and price-fixing arrangements that are fast becoming the order of the day in the private sector. The Monopolies Commission should also investigate firms like the garment industry, the rice, flour and oil industry, automotive and spare parts industry, tyre industry, inebriating alcoholic-beverages, agro-fertilizers, chemicals, *etc.*

I must state, quite clearly, that I am not opposed to big business nor conglomerates. It is the growth of the monopolistic tendencies that bothers me. The PNM must show its seriousness, not by lip-service, but by providing major incentives for the development of agriculture and to supply the needs of the domestic, as well as the export market, by establishing wholesale markets at Waller field, San Juan and Rio Claro. To my mind, the budget presented by the Minister of Finance, is a half-baked budget with nothing to offer to the nation.

The Minister further went on to say that he had only one month to prepare his budget, but if I remember clearly, somewhere in November or December, 1991, Mr. Patrick Manning, at that time, stated quite openly that he had already started the preparation of his budget for 1992, when he comes into government. Are we therefore going to expect two budgets from the PNM Government in 1992? To me it seems so. The first budget which we are dealing with here, is a recipe for total failure. It will not achieve its goals. The PNM is moribund, it is lacking in ideas and vision to solve the economic and social ills of this country. The PNM was rejected at the polls once, and if they do not implement their election pledges immediately, they would soon be cast aside again.

The UNC is the only hope for salvation. The UNC is the only party that will rescue Trinidad and Tobago from the yoke of economic and social oppression. The UNC is the only party that will solve the problems of unemployment, poverty, crime, and security of the person. The UNC is the only party that will provide better living conditions under a new economic thrust that will be beneficial to all the people of Trinidad and Tobago.

The Minister of Consumer Affairs and Social Services (Dr. The Hon. Linda Baboolal): Madam Speaker, let me first of all, on behalf of my constituency, my family and myself, congratulate you on your elevation to the high office of Speaker. All women in this country are proud of you, but we know your elevation was not because of your gender but because of your high qualifications and vast experience. I can think of no one who was more suited to this position than you are.

Let me congratulate the last Member on his maiden contribution. As a new Member of this House, let me also advise him, who is also a new Member, that he should keep an open mind and not become like the veterans of his side, narrow and stilted in his expectations.

I congratulate all Members who have so far spoken on this budget, for their lucid and comprehensive presentations, including my friends on the opposite side. I also congratulate the Minister of Finance for being very frank with the population, in respect of the economic situation of this country.

I just want to refer to one thing that was mentioned by the Member for Tabaquite, when he talked about the increase in the price of sugar, that the elderly citizens of this country will not be able to afford to buy soft drinks. Let me remind him, as a medical doctor, that he should advise his elderly patients that they should not drink sweet drinks or eat sweet things because they can be detrimental to their health, besides having no nutritional value whatsoever.

I want to particularly congratulate the Member for Chaguanas on her excellent contribution. In fact, she put her male counterparts to shame, so sincere so knowledgeable was she. Having worked with her, I know of her involvement and I assure her that many of the projects which she mentioned are ongoing projects of my ministry, and that we have many new programmes which we hope to bring on stream. Also, I assure her that the fate of the women of this country lies very close to my heart, and I will be prepared to work with her and other women of this House to improve the position of women in this country.

The Ministry of Social Services feels very strongly that there is a need for expanded and improved social services for all ages, for the extreme ends of life and for both sexes—I did not leave out the men this time. I assure her, therefore, that I shall be only too happy to visit her drug rehabilitation centre in Central, which I know is being run by one of my own boys.

The Ministry of Consumer Affairs and Social Services is an ongoing ministry. We do not stop working when governments change; we do not come to a halt and

wait for the budget to be passed. The Ministry has continued to work with the poor, the elderly, the destitute and the homeless and we are looking for new programmes to continue to help these people.

11.55 a.m.

I take this opportunity to outline to this House some of the services which are offered by my ministry. The Ministry of Consumer Affairs and Social Services comprises seven technical divisions and has responsibility for a number of statutory authorities and other similar bodies including Legal Aid, National Insurance Board and the National Insurance Appeal Tribunal. The core of the services offered is: social services which include old age pension and public assistance, Adoption Board, Probation, price monitoring and control, consumer protection, family services, population programme, legal aid, and as I said earlier on, national insurance.

The Ministry is guided by its vision for the social services which seek to provide an integrated system to assist the citizens of this country to attain an acceptable standard of living and to improve the quality of their lives.

As the ministry responsible for consumer affairs, part of our mission is to provide assistance to the consuming public by upgrading their level of consciousness through education and protecting their economic interest by ensuring fair and just prices.

It has been suggested during the debate that we should look at raising the ceiling for old age pension. I ask the question; What is old age pension? The old age pension grant administered by the Ministry of Consumer Affairs and Social Services is intended as a welfare subsidy—a welfare subsidy—and as such it is expected that many of the elderly citizens would use the pension to complement other existing income. The Ministry believes that the establishment of a meaningful ceiling is directly related to the poverty line and the cost of living index. The present ceiling of \$5,000 appears to be quite reasonable when linked to available data on poverty. Current estimates on the monthly requirements of a single person household, stands at \$220.00 as suggested by Henry and Melville in 1988 and Teekens in 1990. A person with an annual income of \$5,000 which is equivalent to \$416.00—

Mr. Sudama: Madam Speaker, may I ask a question here? The Member for Barataria/San Juan said that \$220 per month is sufficient for a single person household. May I ask her what requirements are supposed to be purchased with \$220.00?

Hon. L. Baboolal: Madam Speaker, these are figures which came from a study that was done by Henry and Melville in 1988 and I am merely quoting:

As I was saying Madam Speaker, a person with an annual income of \$5,000 which is equivalent to \$416.00 per month is in receipt of an income which takes him above the absolute poverty line of \$220.00. Those with an income of \$12,000 will therefore be in a much better position.

The ministry however recognizes that there is need for additional research to arrive at a specific basis for a means test, and has therefore taken steps to address this. One measure which has already been initiated is a survey of poverty which would seek to determine a meaningful poverty line for Trinidad and Tobago.

I should also like to give a few figures about what would happen if we were to raise the ceiling on old age pension. At the moment it is estimated that we already have 60,350 old age pensioners with this ceiling of \$5,000. If this were raised to \$6,000 the number of pensioners would be 63,500 which would mean an increase of \$10.5 million annually, bringing the total expenditure to \$266.7 million. If we put the ceiling say at \$9,000 the number of pensioners will be 67,000 with an annual increase in money terms of \$25 million bringing the annual expenditure to \$281 million, and if we were to raise it to \$12,000 the number of pensioners would be 70,000 bringing an annual increase of \$37.8 million and a total expenditure of \$294 million.

I want to mention here that old age pension is not the only service which is offered by this ministry to the elderly of this nation, because we in this Ministry see our senior citizens as being very important members of the society; people who have already contributed many years of hard work to the building of this country and, who continue to have a contribution to make to our society because of their experience, skills and knowledge. We also know that many of the elderly people of this country are lonely, frustrated and feel useless. Because of this we have been looking at the setting up of day care centres. Already, three of these day care centres have been opened, and in these centres we hope to be able to provide care for the elderly, company among people of their own age groups and to make them feel useful by helping them to put their skills and their knowledge to use, maybe even to the point of teaching some of the youth some of the skills they possess, in this way providing a means of interaction between the youth and the elderly and maybe providing mutual respect and understanding by these two age groups.

Mention was also made of the ECHO programme. The policy is that we shall continue with any programme which is useful to this country. The ECHO programme was meant to feed the needy, the unemployed and the new poor. But it was also meant to develop and to rehabilitate these people so that they once more become employable. The ECHO programme fed people in the community but unfortunately, the developmental component was not established. We at the ministry intend to look at the ECHO programme; re-organize it by making it cost-effective and efficient. We also intend to seriously look at the development and the rehabilitation component, so that these people will not only become employable and be able to earn a living, but will reduce the dependency on the ministry for providing food, *etc.*

12.05 p.m.

Some mention was also made of the vagrancy problem, and as you are aware, Madam Speaker, this is a big problem and has been for many years. An attempt was made to deal with it and I should just like to mention what was done by the last Government and which is an ongoing programme.

In 1991, the Riverside Plaza Walk-in Assessment Centre, which caters for the homeless and non-mentally ill persons or socially displaced persons, as we call them, was established. It accommodates 116 persons and is managed by the St. Vincent de Paul Society with a monthly subvention of \$74,800 from Government. Plans are currently in place to establish a national committee on social rehabilitation and this committee, when appointed, will have the responsibility to devise and implement further measures to treat effectively with the problems associated with vagrancy and homelessness. We intend to continue to look at this problem and work with the national committee on social rehabilitation.

All of us in this House and, as a matter of fact, as a nation, need to be concerned about the plight of homeless, abused and unloved children in our country. We are aware of the dangers which these children face in our society—the dangers of crime, drugs, prostitution and homosexuality. This ministry has focused in the past on the needs of the needy children in our society and it will continue to build on the foundations which have been laid for this purpose. I want to outline here for you a plan of action which we hope to be able to adopt over the next five years.

Trinidad and Tobago is a signatory to the World Declaration on the Survival, Protection and Development of Children and is therefore committed to adopt a plan of action which would address the plight of children, especially those at risk

within our society. With respect to the development of a plan of action, the following measures have been adopted:

Ratification of the United Nations Convention on the Rights of the Child in November of 1991 as a symbol of Trinidad and Tobago's adoption of a set of universal legal standards for the protection of children against neglect, abuse and exploitation, as well as guaranteeing to children their basic human rights.

The recent passing of the Domestic Violence Act offers legal protection for children and adults who become the victims of intra-familial abuse both physical and mental. The Act provides protection by means of a protection order and so avoids resorting to the criminal court.

A recent proclamation of the Attachment of Earnings Act, December 1, 1991, provides for the maintenance of children at the source of earnings, that, an employer can be authorized by the state to deduct from an employee's income, a certain amount of money to be transferred to the employee's dependent children for their maintenance.

The Children's (Amdt.) Bill which was brought to the last Parliament was seeking to provide a care order to protect children at risk or harm. This bill we intend to bring back to this House as soon as possible.

Current deliberation on the Child Care Systems Bill outlines regulations regarding the licensing of day care centres and children's homes as a means of maintaining a high standard of care at these public institutions.

We are looking very carefully at the promulgation of the Child and Family Services Act, including provisions for the establishment of a family court to act as the main adjudicator in legal matters pertaining to the child and the family.

Also, there is recent establishment and staffing of the National Family Services Division attached to the Ministry of Consumer Affairs and Social Services as a government agency entrusted with the following responsibilities:

- To monitor children at risk within their families, within institutional care and in the general community;
- To intervene and to advise families with problems and to try to avoid the separation of children and parents.

I should just like also to read a little part here about the care which we want:

"There will be continued focus on childcare and the family and we are looking very carefully at the establishment of a foster care system in Trinidad and Tobago, which we do not have at the moment. We are looking at the situational analysis of the residence of children's homes to collect and evaluate data on the specific needs of these residences. We also hope to be able to establish three remand homes for young offenders so that they will not be put in the same environment as hardened criminals."

Let me assure this House that my ministry will continue to work with the poor, the hungry and the destitute throughout Trinidad and Tobago, whether it be in North, Central or South. We will be willing to meet with Members on the opposite side to discuss any problems they may have in their area. I know that my male colleagues on this side of the House will not mind feeling the claws of your young tigress. Let me again assure Members of the House that this ministry is a committed one because it forms part of a caring Government—a Government which is for the people and a Government which is for the small man, and will always have the small man at heart. This ministry deals directly with the small man and with the needy and we intend to continue to improve the services which we offer to this part of our community.

The Member for Couva North referred to monopolies and restrictive business practices. In response I should like to read from this brief:

"In Trinidad and Tobago, the previous Government had taken the following steps and that was, pending the preparation and enactment of the necessary legislation, a Monopolies and Restrictive Business Practices Commission was established as a committee of the Prices Commission under section (d) of the Trade (Amdt) Act of 1960.

(2) The United Nations Conference on Trade and Development, that is, UNCTAD, was requested to provide technical assistance to advise on the structure and the legislation necessary for the establishment and the operation of this Commission. The appointment of an inter-Ministerial committee to review the current practices which have favoured monopolies and to make recommendations for changes which could be effected pending the enactment of necessary legislation; and also an advisory mission by UNCTAD experts has been approved and is scheduled to take place in March."

This Government, is aware of the negative of the above but is also aware that competition in the international environment requires firms of a minimum size.

There is the need for larger firms in the international environment, but this must be reconciled with the need as much as possible, to minimize monopolistic practices in the domestic market.

12.15 p.m.

Madam Speaker, let me thank you for this opportunity to address this House, and to clarify some of the points made in respect of my own ministry. I can assure Members of this House that we all have this country at heart, that we are all dedicated to working for a better society, and for the reduction of things like unemployment, poverty, crime and drug addiction. If we work together we could achieve the motto of our country which is: "Together we aspire, together we achieve". Thank you, Madam Speaker.

Mr. Ramesh Lawrence Maharaj (*Couva South*): Madam Speaker, may I be permitted to congratulate you on your appointment as Speaker. I think that my contribution would not be complete unless I said in this forum that your appointment has demonstrated that a person can withstand injustice, resort to one's religious observances and in the final analysis that person can be vindicated.

You, Madam Speaker, have occupied the judicial bench of this country in the capacity of Master. During the time you have occupied that office you saw appointments made to the High Court and to the Court of Appeal, and based on those appointments it was quite clear, not only to the legal profession but also to the public, that you were treated unequally in that based on the appointments that were made, you should have been in the Court of Appeal before many judges. These are important things to be said. This is the forum of the people, this is the forum where justice is truly done.

Madam Speaker, we have taken a very serious oath in this Parliament, and I should also like to say that we have noticed that you have restored the original prayer in this Parliament. We consider that to be a neutral prayer having regard to the multi-religious society we live in. You have also made legal history not only by being the first woman to be appointed as a Speaker, but you have made parliamentary history in that you have opened up the Parliament to the public and to the media. Information is a most vital necessity for democracy in a society. I think it would not be right for me to start my contribution without placing these matters on record.

You have demonstrated in no uncertain terms that you are familiar with and that you are committed to the conventions of the Westminster type of government. One of those conventions clearly is that the Opposition is an integral

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part of Government. And within days of your appointment you made parliamentary history in this country in that you decided to make facilities available to the Government and to the Opposition so that the business of the respective parliamentary caucuses could have been discussed.

We should like to indicate to the other side that there are other facilities which are needed for our room, and we feel sure that in the highest traditions of parliamentary conventions and the Westminster system if they have the interest of the people at heart they will make sure that these are supplied.

We have also, if I may say so at this stage, found that our office is most inadequate, having regard to the size of our membership in this House, and as you know, that is likely to increase, probably very shortly, and I should like the other side to take note of that so that when the request is made, they would ensure that these facilities are provided very quickly, all in the interest of the people of Trinidad and Tobago.

You see, Madam Speaker, the power we have in this Parliament is not our power, it is the power we hold in trust for the people. We exercise that power as trustees and in the discharge of those duties we must never have party considerations. We would have party considerations but if something is in the welfare of the society, party comes second, the public comes first. As long as we go with that in our minds, many problems in our country would be solved.

I congratulate all the new Members who spoke. I think that we in this House have demonstrated on both sides that we appreciate our duties and that it will be open to see whether we seriously would like to implement what we consider our duty to the public to be.

Coming to the main business, that is the budget, let me congratulate the hon. Minister of Finance on the presentation of his budget. But I regret very much that my congratulations can only be limited to the presentation not to the contents. You see, the budget is a prescription for economic disaster in our society, and it will result only in the promotion of social evil. The budget constitutes a naked attack on the working class, the low and middle income sectors of the society. It is, in effect, an enhancement of the elite sector in our society. The budget does not have a human face.

You see, Madam Speaker, what is wrong with the budget is the approach which the Government took. As I sat here and I listened, I wondered whether I was sitting in a company boardroom in which we on this side were the shareholders and they on that side were the board of directors. All that they were

concerned with was themselves trying to do this by adjusting the figures here and there: "Keep us above board, keep us in office, let us get our directors' fees so that the thing could continue." I cannot understand that and I hope that I would be able to do so at some time in this House during the next five years. I should make no bones about it, as it is highly likely there could be a change-over very lawfully.

What I cannot understand is how human development was not considered as the primary factor in this budget. It is totally wrong to use the same approach that one uses when one is approaching survival of a commercial company or a commercial enterprise. In those circumstances, financial survival is first. But when we are dealing with a country, a nation, with lives, with children, mothers, daughters, the primary concern is human development. If it were otherwise, then the people would not have put politicians like us; they would have put financial experts in government. But politicians go to the people on the basis of their commitment to human development. We did not go on the commitment that we can work figures better than you. We have many people like that in the society.

So what has happened is that the underlying approach, the basis, the pillar, the foundation of this budget must crumble, because the mixture for the foundation is not right; and that is the point. My leader has been making the point, not only in this presentation, but also throughout the length and breadth of this country over the years, that you cannot have human development unless you have a united people. You cannot have a successful budget unless you have a united people. History has shown that. The PNM, whether old or new, from 1982 to 1985 had a billion dollars in foreign reserves; the PNM in the boom days had \$80 billion and they could not solve the problem. All right, *[Interruption]* if they want to say \$60 billion, I will give them \$60 billion, but do not make me a liar for \$20 billion. With all the money, money was no problem.

Mr. Valley: Madam Speaker, just for the record, may I inform the Member that the correct figure is \$23.6 billion over the period 1973 to 1982, the boom period.

Mr. Maharaj: Madam Speaker, I do not accept that. I am saying \$80 billion, he is saying \$60 billion; I say \$80 billion. Perhaps the Minister of Finance—I hope this will not eat into my time. Madam Speaker, whether it was, \$20 billion, \$30 billion, \$40 billion, they had in excess, they had plenty. Money was no problem, and what happened? They could not solve the problem. Yes, because they thought that if there was a problem with justice they should build a big Hall

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of Justice. They thought a building costing a lot of money would have solved the problem. Any problem you have, just construct a building.

You see, what has happened is that we are putting the cart before the horse. That is why, whether these figures are adjusted or not adjusted, if that attitude continues, if there is no serious decision to unite the country and mobilize the human resources, this budget and any other budget would not succeed.

12.30 p.m.: *Sitting suspended.*

2.00 p.m.: *Sitting resumed.*

Mr. R. Maharaj: Madam Speaker, when the adjournment was taken, I was discussing the question of human development. It is a condition precedent to economic growth in a country. When the hon. Member for Laventille West spoke this morning, he made the point that the position is that we have not been implementing what we have been saying. I have the greatest respect for the Member for Laventille West. As a matter of fact, I believe he is a man who is truly committed to social justice in this country. I have had the pleasure of working with him. We have exposed the NAR Government in some of their policies, especially in certain pieces of legislation.

My parliamentary colleague, the hon. Member for St. Augustine, the hon. Member for Laventille West, and I appeared at a public meeting together exposing the ills of this country. I have had good relations with the hon. Members on the other side. As a matter of fact, during the NAR regime, when they attempted to pass a Drugs Bill which would have infringed the rights of the people, I was privileged to be invited to Balisier House to address the Members of the PNM in order to join their fight against the evils in the society. So it shows that when we get together, what we can do. What the hon. Member for Laventille West said this morning is that we are going through a make or break period but we can succeed if we can just pull the country together. That is, in effect, human development.

The point I am making is that human development can only come if we pull the country together; if we unite the resources, if we unite the country. That can only come under a national government of Trinidad and Tobago.

You see, human development sounds big, but basically it is justice. When people are denied food, clothing; when there is malnutrition, unemployment, underemployment, that is a denial of justice. In effect, the cumulative effect of the human and fundamental rights, that is, the civil and political rights and the economic, social and cultural rights, is the right to human development.

There is a poster which I see and I like, I have it about a year now. It says: "When some people go hungry it is not food that is in short supply, it is justice". That is in effect, what I am saying, that no amount of adjusting the figures—because we have seen it done, we have been seeing it done over the last years—would solve the problems of Trinidad and Tobago. You see, the primary aim of the budget should be to effect justice to the people. The primary aim should not be adjusting the figures. The subsidiary aim should be the balancing of the figures. It is that fundamental error which has flawed this budget as it has flawed so many other budgets in the past.

It is therefore important for us to recognize that in preparing a budget a government must integrate human dimensions of development into its indicators for economic growth. There can be no economic growth without human development. When we look at the economic, social and cultural rights which are in effect, what this country is bound by—the Charter of the United Nations, the International Covenant on Civil, Political and Cultural Rights—when we look at those covenants, when we look at those documents, we see there is no problem with understanding what the rights are; the problem is implementing them. And the question is whether we have the commitment to implement them.

Economic, social and cultural rights: the right to work, the right to food, the right to shelter, the right to clothing, the right to an adequate standard of living, the right to proper health care and to a prohibition against child labour. I can go on and on.

Civil and political rights: the freedom of the press, right to liberty, due process of law, the right to privacy and the right to the enjoyment of property. We can go on as to what the civil and political rights are.

You see, it has been recognized that we must include aspects of human development in budgetary proposals. The Second Report of the Human Rights Sub-committee of the United Nations, the 43rd Session of the Effects of Structural Adjustment Programmes on Economic, Social and Cultural Rights stated that:

"Institutions directly involved in the formulation and application of structural adjustment policies such as the IMF and the World Bank are not exempt from considering applying human rights in the contingencies of their programme. It is said that a government must integrate human rights dimensions of development into its indicators for growth as there can be no growth without development."

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This is, in effect, what this Member has been saying. It is no answer to say, "Well, we have spent so much money in the past". The point about the matter is that the money which has been spent in the past has not and it would not achieve adequate human development in Trinidad and Tobago. The money allocated will not achieve it. But it can be achieved, because if the resources of the country are mobilized, if the country unites, you will have inflow of capital, inflow of foreign reserves, and inflow of human resources from abroad. You will have confidence in the economy, you will have a feeling of oneness.

One of the things which I think may be said about the hon. Member for Tobago East is that in the early stages of the NAR when "one love" was a truthful banner, and he instituted the clean-up campaign, one saw how the resources of the country were all mobilized together and the problems even in respect of cleaning up the country in a day could have been solved.

As I see it, the question is not really whether public servants should get their money or whether there should be this tax relief or that tax relief, or whether this would get so much and that would get so much and if you work out the mathematics, that would be it, because we have been doing that all the time. The question is whether the Government has produced in the budget, a plan, whatever plan you want to call it, medium-term, macro economic, any plan in which the people of this country can see the light at the end of the tunnel for human development in Trinidad and Tobago. Do you know what is human development?

There can be no getting away from this, that we are living in a society in which there is denial of food and water; there is a high percentage of unemployment, underemployment, poor pittance being given to senior citizens, meagre allowances to public servants, violation of the rights to housing and decent housing, increasing malnutrition, risk of epidemics, child labour. There are, as the hon. Member for Chaguanas mentioned, children entering into the labour market. There is a denial of their right to education. Children are being educated; when they leave school they cannot get jobs. You send them to university, they take all kinds of courses but they cannot get jobs. I invite some of those Members to go and sit in the magistrate's court in Port-of Spain, on an afternoon and see daily about 40 persons charged with drug offences and more than half of them are young people who have gone to university and to secondary school. Do you think this budget will solve that problem? It will not.

The question is: Is there any plan or policy which this Government has put forward for us on behalf of the people of Trinidad and Tobago to say, yes, we agree that this plan is going to bring relief to the people? I say no. But I know

what the other side would say; they would say, "Well, we give \$1.7 billion for development, we give this for that and this for that". But when you look through the figures, it is the same thing being done every year. Events have shown that they have not done that.

The question now is: Has the Government abdicated its responsibility to the people? The people of Trinidad and Tobago, as the jury, would make up their minds on that. Has the Government shown in its plan that it would substantially deal with—not in a token way—the core of the problem? Has it shown that it would provide legal, economic and social justice to the people of this country? The answer has to be no. Whether we jump high, whether we jump low, whether we call it by all kinds of fancy names, the answer has to be no.

So you see, we therefore have to look and see what is the performance of the PNM, and I would say, the PNM and the predecessor governments—well I would not say including NAR.

Let us look. Before we go to the past, we have to recognize that there is a financial crisis in the country. The Government has a very difficult task. No one can decry that. But they have asked to govern. They have represented to the people that they can govern. They have represented that they have the vision, the know-how, the techniques, and that they can govern, that they can put wrong things right, things that are wrong they can put them right. Well, the people give them the reins of power. I want to see them govern. They must govern with equity. They must govern with conscience. They must govern with truth. But the truth of this matter is that they have no idea now. They have no plan; they do not know what to do; they are panicking; they are playing for time. That is the truth of the matter. All right, so we accept the fact of the present position.

2.20 p.m.

I want to go back a bit in history to see what, in effect, was the position under the previous PNM administration. Foreign reserves plummeted from \$7.9 billion in 1982 to less than \$2 billion at the end of 1985. The NAR Government took over and during its regime, in 1988, it fell to minus \$5.7 million, and the Government agreed to an IMF programme. So we see that whether you say \$60 billion or \$80 billion, or \$33 billion or \$35 billion—

Hon. Member: Or the current figure.

Mr. Maharaj: —the point of the matter is that from 1972 until 1985 there was at least \$60 billion odd dollars in expenditure. One cannot get away from

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that. And, during the PNM regime it did nothing substantial to diversify the economy although it knew that if you kept it as an oil-based economy you would have to depend on the price of oil. The PNM Government took all the money—or I will give you the benefit of the doubt—almost all the money which was in the Development Fund and frittered it away into grandiose projects—Iscott. And as I talk about Iscott, the honourable Minister of Planning would probably be able to help us with some information with respect to Trintoplan, Iscott and Cariri, and how to get back some of the money we lost on Iscott.

Mr. B. Panday: That is the first commission of inquiry we want—Trintoplan.

Mr. Maharaj: The hon. Minister of Planning said that by the year 2000 he would see Mr. Panday still on this side, speaking in the budget debate. The Minister is not here today, but I want to tell him that Mr. Panday is here because he would not do what the Minister of Planning would do to be there.

Hon. Member: How you praising Panday so!

Mr. Maharaj: The UNC has one party headquarters—we do not have one in Port-of-Spain and one in San Fernando.

Hon. Member: We have one at Arima, too.

Mr. Maharaj: Madam Speaker, not only Iscott, there is the abandoned multi-million dollar racing complex, Central Bank Towers, Hall of Justice, Mount Hope Medical Complex—in effect, white elephants. We could have done without those.

As I was saying, if there is a problem with legal justice in the country, you do not solve it by building a big Hall of Justice. The Romans had big, big buildings and the country decayed. You have to look at the infrastructure, you have to look at the people, you have to look at the institutions.

His Excellency the President, when he opened this Parliament, said, "men and institutions remain free", words to that effect.

Hon. Member: That is the Constitution.

Mr. Maharaj: Yes, he quoted it.

"Freedom is founded upon respect for moral and spiritual values and the rule of law."

You see, we could build the biggest building, we could build the Central Towers, that would not give us effective representation; we could build a Hall of Justice,

that would not give us justice; justice comes from the heart, you must have the commitment to give our people justice—legal, social and economic.

Hon. Member: Political, too.

Mr. Maharaj: During the PNM regime over those years I think it would not be an unfair assessment to say that these were the characteristics. And this is what resulted under the PNM Government: high inflation as much as 23 per cent; wage increases that exceeded productivity growth; inefficiency in state enterprises; excessive official spending; poor macro economic planning; inadequate project planning and implementation; bureaucratic mismanagement; waste; increased dependence on imports; corruption; patronage; destruction and deterioration in human development.

This Government seems to be going in the same direction. There has been no plan, no macro economic plan, no plan to show us where we are going. And from this budget, inflation will increase. There will be zero or negative growth and unemployment will rise. It is a matter of fact—no matter how you jump, no matter how low you go, what will happen is that the increases for the public servants would be neutralized having regard to the taxes, direct and indirect, which they have to pay.

Mr. Panday: Sure as the sun follows the moon.

Mr. Maharaj: This Government has shown us where its heart is and where its commitment lies. The first project in order to provide human development for Trinidad and Tobago was to move the dragon from the Red House and put the dove. That was the first project of the Government of Trinidad and Tobago. I ask the Minister of Finance to answer this question when he replies: How much did it cost? Our investigations have revealed that it cost about \$200,000 to move the dragon with the crane and all the things to put the dove and everything else with it.

Hon. Member: \$80 billion.

Mr. Maharaj: If it cost \$50,000 or \$100,000, for how many school children could that money provide books! How many hungry persons could that have fed!

Hon. Member: How many?

Mr. Maharaj: Madam Speaker, the highlight of the 1992 budget is that our continued dependence on oil makes the price of oil the most important variable affecting the budget exercise. The price of oil is estimated at US \$19 per barrel for

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1992. This is very optimistic. Given the fact that no change in the petroleum taxation regime has been proposed, I suggest that oil production would be lower in 1992 than in 1991.

2.30 p.m.

Madam Speaker, I do not think the Government is levelling with the people of this country when it does not tell them that based on the price of oil which was used as the basis of the budget, and based on all the other contingencies, a devaluation is a very real prospect by June 30, 1992, for the latest, and it is likely that the rate will be TT \$6.50 to US \$1. I ask the hon. Minister of Finance to tell the country in his reply that he is confident that between now and June, 1993 there will be no devaluation of the Trinidad and Tobago dollar. *[Interruption]* Well, Madam Speaker, even if he brings it on the first of July or August, I am still correct because they have not told this country that there will be devaluation within 1992.

Mr. B. Panday: I am afraid they are going to float it. That will be another form of devaluation.

Mr. Maharaj: Madam Speaker, I am telling the hon. Minister that there is no basis that he could have used from the IMF to put the price of oil at a realistic figure of US \$19.00 when all indications are that the price of oil is going to fall. Yesterday it was US \$17.00. I did not look at what it is today. You know what is going to happen? Negotiations are likely to be initiated with the IMF, the World Bank and the other international creditor banks for a rescheduling of the debt. Mark my words in this Parliament—and I will wait for the reply from the other side. Let us level with the population now. Let them know what they have to face—increased cost of living, inflation, little or no economic growth, unemployment.

The budget is silent on incentives for production, either in the short term or medium term. It contains no specific measures to encourage or stimulate growth, especially of the manufacturing and export sectors. Indeed, the fiscal measures announced increases in corporation tax from 40 to 45 per cent; increases in the upper bands of personal income tax by 5 per cent; increases in indirect taxation. These are all revenue-raising and the funds thus generated are to be applied towards meeting the increased public service payroll.

I refer the hon. Minister to a document prepared on the 1992 budget by the famous and reliable firm of accountants, Ernst & Young, and in that there is an expert who has done an analysis on the price of oil; and what I have said today is

supported by the view of the expert. So these measures must have the effect of increasing the cost of living and the rate of inflation. Therefore, how can it be truly said that one could expect economic growth in this country? We have to tell the country what to expect. As a matter of fact, would the Minister of Finance deny—we have made some investigations—that from the time the floating of the TT dollar was mentioned, US \$150 million left this country? That is a result of a statement made by the hon. Prime Minister.

Mr. B. Panday: That is power.

Mr. Maharaj: We have to hold and use our power in trust for the people. We are trustees of that power and, therefore, I ask myself the question: is that a statement which should have been made if we are conscious of our responsibilities to the people of Trinidad and Tobago? You see, many things have been said about the cost of construction. I do not want to say much about that, but I think everybody knows that people will find a way to manipulate that. Without having any construction, they could say they had construction. As a matter of fact, people cannot even afford to have construction. They say the Government took away a dollar and give us a bob.

After this budget people would not have money for construction. The money the Government intends to raise, relying on the increased price of gas and alcohol, may not be raised. What will happen is that you will have empty gas stations and empty bars, and we shall be in further trouble. You see there has been a lot of talk about CNG and these new kinds of gas and cars, and that it compares with America, and we could do this and do that. But it is not recognized that in the United States there is machinery whereby construction, maintenance and implementation of these programmes are monitored—there are safety measures.

In Trinidad and Tobago the Licensing Authority has a duty to see that people's cars are not driven with tyres that are not good, brakes that are not good, but it cannot do that. We do not have the infrastructure or the machinery and, therefore, if we decide not to introduce this without proper consideration, investigation, or without setting up the machinery to ensure safety to the public, we would be showing that we do not care about the people of Trinidad and Tobago. *[Interruption]* You see there is a distinction between office and power.

You know, during the election campaign, I went up to Laventille and I saw my brothers there and the conditions under which they live. And I could not believe that a Government which had power could have had people living in those

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conditions for 30 years; and if it is one thing we should try to address is this. You have people living like animals. You see what has happened, is that the PNM occupied office but they did not have power—other people had the power. Because any government with power would not allow its people to suffer like that.

The PNM knew what were the problems of this country. They knew there was the problem of crime; they knew there was the problem in the police service; they knew there was the problem in the prisons; they knew there was the problem of drugs, problems in the machinery of justice, unemployment, and all these things. Where have they dealt with them? It is a budget, yes. But if a budget involves people, must we not deal with them? We must show what we are going to do, what we have, what is the position, how this thing could be improved. Take for example, the question of the public servants. As I said, I agree, public servants have to be paid. Workers have to be paid. The rights of workers must be protected. As a matter of fact we should not only ensure that the rights of public servants are protected and enhanced, but we must also ensure that the workers of all sections of the country—all the workers in the country—are treated with equity. We will support the Government on that. We have no problem with that at all. What is astonishing, however, is that under the guise of the rule of law the Government says, we believe in the rule of law and therefore the award of the court must be paid. But that is hypocrisy.

You see, the rule of law means many things. It includes the separation of powers, that is to say, the judiciary must be totally independent. It means a competent and efficient judiciary; it means an independent legal profession. These are qualities that combine and form the rule of law and therefore—

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

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

Question put and agreed to.

2.40 p.m.

Mr. Maharaj: Madam Speaker, under the Constitution of Trinidad and Tobago, it is the duty of a government when it introduces legislation that the legislation be for the peace, order and good government of the country. In 1981, the PNM introduced several major pieces of legislation and up to today they have not been proclaimed. What is the purpose of coming to Parliament? What I am

trying to show, is that the rule of law which involves development, must be used in our context. We cannot use it for one case and leave it out in another. If the Government is interested in the rule of law and is interested in human development, I want to bring this to its attention.

In 1981, if you look through this book, the major pieces of legislation have not been proclaimed or implemented. Let me say in this House what those pieces of legislation are:

Landlord and Tenant Act, No. 19 of 1981

Land Law and Conveyance Act, No. 20 of 1981

Trustee Act, No. 20 of 1981

Limitations Act, No. 23 of 1981

Condominium Act, No. 23 of 1981

Land Registration Act, No. 24 of 1981

Succession Act, No. 27 of 1981.

These pieces of legislation deal with important reforms in the law to effect justice to the people. They are on the books since 1981. The PNM Government went out in 1986; they came back in 1991, but we are not hearing anything about that. One of these pieces of legislation, the Limitations Act, the injustice that it has caused to people. Under the existing law if the state owns a vehicle or if a policeman makes a false charge against anyone, or if any officer of the state commits any tort, that person who is wronged has one year to file that action. So you have many widows from state vehicles or police vehicles. Children depend upon the widows, and they cannot get the moneys which have to come for the negligence, because the year has passed. These are the things which have been wrong and have not been put right. Somebody said, things which are right must remain right and things which are wrong must be put right.

The rule of law also involves that people who have judgments against the Government, whose constitutional and fundamental rights have been infringed and the court has given them judgments—that they must get their money from the Government. I have here, a list of about 30 people, who have got judgments for wrongful arrest, for unconstitutional deprivation of property, for all sorts of things by the state and they have been begging the Government—in fairness to the present Government, some of the begging occurred during the last regime—

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but they have not been able to get their money. I will undertake to pass a copy of the list to the hon. Attorney General, but I can give you some:

Linda and Nixon Gumbs, a security officer who was falsely arrested by the police and denied right to lawyer;

Ramdass Bhagan, denial of the right to property;

Randolph Richardson, denial of the right to equality;

Franklin Moonisie, denial of the protection of the law.

Mr. Valley: Madam Speaker, obviously the Member is confusing the place. I am sure he thinks he is in court.

Madam Speaker: The hon. Member was just about to put down the piece of paper.

Mr. Maharaj: Madam Speaker, the rule of law involves also obedience by the Government to, not only national orders, but also international orders. At present, there is a man called Daniel Pinto who had his conviction in Trinidad and Tobago set aside, in effect, by the United National Committee on human rights, and what has happened is that the Government to date—and when I say, the Government, the Government of Trinidad and Tobago, to date—has not implemented that decision. The rule of law is obedience to court orders.

Since we are talking about the rule of law and obeying court orders, I should like to bring to the attention of this House an order made—I am not discussing the merits or demerits of the case—by the High Court on February 6, 1991, against the Government of Trinidad and Tobago, by Justice Zainool Hosein, debarring Government from going on the lands of the Jamaat. This order is being breached every day by the police and the army being on the lands. All sections of the community are entitled to the protection of the law. There cannot be one law for the rich and another law for the poor.

So when we talk about the rule of law and when we talk about human development, we talk about the duty of the Government to look at the infrastructure, and since I am shadowing Legal Affairs and since I shall be shadowing the hon. Attorney General, and since I am going to shadow him—if I may use the words of the hon. Member for Caroni East—day and night—he might be able to get shadows in the dark too.

There was an article entitled "Four hundred inquests pending" appearing on the front page of the *Sunday Guardian* of January 12, 1992. The Government

must have seen it. If you read the story you would see the 400 inquests are pending before the courts. Do you know what is an inquest? An inquest takes place when people have to sue others for injury done by the state, they have to get money from the insurance companies. Insurance companies would not pay the money, but the parents depend upon these moneys. Children have to go to school. Women have to sell themselves sometimes in order to support children. While we talk about figures here, there are 400 inquests pending.

Mr. Bereaux: Would the hon. Member give way to a question? Would he say whether it is imperative that you have to wait for an inquest before a civil action can begin?

Mr. Maharaj: Madam Speaker, I did not say that. But what I can say is that you have to wait for the determination of an inquest before the insurance company can determine sometimes whether they have to pay any moneys. There are several cases where the insurance company wait for the inquest before they pay any insurance money at all.

One merely has to pick up the list of the civil and criminal courts and see the kinds of delays that exist in the civil and criminal jurisdictions. Does that not involve human development? The people who have to go to court to get their rights aired, are they not considered? What is this budget about then? Not about people? What happened? That was so difficult to get. Do you know why it was difficult? It was difficult because there is no commitment to see about the problem.

2.50 p.m.

Crime in this country is at a very high rate and in order to fight it there must be an effective police service. They have a very difficult job, and machinery has to be provided for the police in order to fight crime. We can implement or we can pass any legislation—as a matter of fact, last year they passed a new drugs law. That law cannot be implemented with the present infrastructure of the police service. It cannot be implemented properly with the present infrastructure of the machinery of justice. So, one has to look at these things if one is considering the progress of human beings in a society. The best and only time to look at it in order to determine what plans you have is when you are presenting the budget.

The Government's proposal to increase personal income tax by five per cent coupled with the increase in the prices of gasoline and petrol, basic products, consequently increased transportation costs and will effectively serve to neutralize the payment of the award to public servants. Indeed, the purchasing power of the

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vast majority of the population will be diminished especially in the light of the tremendous rise in prices which will eventually ensue.

That would have an effect of increasing crime in the country, because when people cannot sustain themselves, when people cannot get jobs, that automatically increases crime. When one looks at the figures from 1981 to 1990, one sees that with respect to serious crimes, in 1981 it was 11,621; in 1990, 16,202. In 1981, minor crimes, 8,056; in 1990, 21,918. Minor offences in 1981, 19,212; in 1990, 27,738.

One sees that the Government in its budget has not said anything about what it is going to do about the drug problem in this country. It has not put forward any plan to rehabilitate these people; it has not taken steps to get to the big drug lords, or to have a purge within the police service. I think that when one looks at the matter as a whole, one cannot escape the fact—and our investigations have revealed this—that in respect of the second aspect of the drug report, which dealt with the naming of people, it was clear that was a motivated plan to discredit certain people—politicians also—and to discredit certain police officers.

In effect, this Government has a responsibility to investigate those matters and find out whether some of the same police officers who manufactured evidence against the police officers are still in top positions in the police service. I am not going to call names, but I say in this House today, that the previous Government knew, and this Government ought to know, that some of the persons who manufactured evidence against politicians and police officers are occupying top positions in the police service today. They should be investigated to see what was their reason for manufacturing those kinds of evidence and some of the officers whom they manufactured evidence against were officers who were making complaints against them for being involved in drugs.

What we need in this country, and what we should do really, and I should like to offer this advice to the other side, is that when we look at the situation—we have looked at the past and the present—we see that everything else has failed. The previous government went under the banner of “one love” and, in effect, when they threw away one love, and put all kinds of plans into operations to make this economy work, it did not. The PNM did everything, it did not work. What we need is a true national government of Trinidad and Tobago where all sectors—economic, social and ethnic—will pool together and we will feel as one.

We on this side of the House offer two olive branches—

Hon. Member: No olive branch, mango wood.

Mr. Maharaj: You see, the traditional approach has not worked, and will not work. We are just going to be spinning top in mud.

I am permitted to quote the chorus of a famous calypso for 1992, and give the true message to the other side. "The Message" by Rootsman:

"Good Manning, Mr. Manning,
So doh be ignorant, stuck up or arrogant,
Cause that won't put you no way,
So walk with your people,
Talk with your people, listen to what we have to say
And remember that the grassroots is the foundation of this country.
Don't forget where you come from and you will be blessed by the Almighty.
Remember, Mr. Manning, Patrick boy, please doh take that fella light,
Cause like the good old silver fox, Uncle Bas really know how to win a fight.
So with Bas on your Opposition, you just can't afford to slip
And with a little co-operation, the both of you can save the ship."

I want to quote also from page 42 of a book by Nelson Mandela, *The Struggle is my Light*. Just one passage which we should like to apply to this situation, not to our organization, but to this situation. It reads:

"Dangers and difficulties have not deterred us in the past, they will not frighten us now. But we must be prepared for them like men who mean business who do not waste energy in vain talk and idle action. The way of preparation for action lies in our rooting out all impurity and indiscipline from our organization and making it the bright and shining instrument that will cleave its way to Africa's freedom."

I will say "to true Trinidad and Tobago's freedom".

If I may quote from the words of Mahatma Gandhi who once said:

"I want my country to be free. I do not want a fallen and prostrate India. I want an India which is free and enlightened. Such an India, if necessary, should be prepared to die so that humanity may live."

We on this side of the House are prepared to die for true human development in Trinidad and Tobago. We ask the Government to consider very seriously whether the true interest of Trinidad and Tobago does not lie in true National Government, where we have true unity so that people of Trinidad and Tobago can truly feel one; there will be the elimination of all sorts of discrimination and all will be free. We support the Government in that endeavour, but with respect to this budget, may I say, that it will not achieve that result, unless there is that commitment expressed and by action.

3.00 p.m.

Mr. John Humphrey (*St. Augustine*): Madam Speaker, the Whip on this side has advised me of a different order of speaking and I am a little disappointed.

Madam Speaker: According to the list which has been vetted by your Chief Whip as well as by the Leader of Government Business, the order is after the Member for Couva North, comes the Member for St. Augustine. That has been agreed upon.

Mr. Humphrey: Madam Speaker, I think it is unfortunate that we are not hearing at this time a response from that side to the contribution of the Member for Couva South. However, before I get into the subject of the budget, let me too add my quota of congratulations to those offered to you and to express that I genuinely appreciate the change in atmosphere in this Parliament since you have taken the Chair.

Mr. B. Panday: Anything is a change from Nizam.

Mr. Humphrey: Madam Speaker, I am not comparing you with anyone. I am judging this purely on the quality of the person who now occupies the Chair.

During the course of the debate at least one Member on the Government side has been critical of the Opposition, charging that we have been only negative. But I do not think anyone has been more negative than the presenter of the budget himself. Allow me to quote from page 1 of the budget speech of the Minister of Finance.

"...there is no gainsaying that in recent years we have endured significant losses. These are reflected not only in eight successive years of decline in the country's real GDP through 1990, but most dramatically in the loss of employment and stubbornly high levels of unemployment, particularly among the nation's youth".

This is how the budget was introduced—a recognition that the country faces a very serious plight, faced with very serious seemingly intractable problems.

Let us now turn to page 35 of the budget speech to see the closing remarks of the Minister of Finance:

"The decade of the 1980s has been characterized as the 'lost decade' for development. In Trinidad and Tobago, we experienced a decline in our real income in the 1980s of more than 30 per cent. This, unfortunately, was accompanied by an increasing incidence of poverty. So far, the 1990s do not offer much cause for optimism. There is recession abroad and political turmoil in sensitive areas of the world."

Now that is the tenor of the budget. It starts with gloom, it ends with doom and everything in-between subscribes to gloom and doom. Absolutely no hope within the pages of this budget that Trinidad and Tobago can extricate itself from the situation that we are in.

I am very unhappy because I come to this Parliament in the role of Member of the Opposition but I honestly feel no resentment towards any Member sitting opposite, unlike the previous period in which I served as Opposition, I then felt deep resentment and it made my role very easy indeed. Because there is no resentment, I am looking at five years or less possibly in this role of Opposition, and I am not looking forward to it because you see it is a very futile role. Perhaps it is a good thing that some of my friends opposite served in that role for some time, because they now have tasted the futility of the role.

I want to support the call made by my colleague the Member for Couva South for consideration to be given to achieving a genuine government of national unity. It is going to be extremely difficult under the Westminster system of Government to achieve this. In fact, in the history of Great Britain, to my knowledge, the only time a genuine government of national unity emerged was when the Government and the Opposition shared the responsibility of managing the affairs of the country during the Second World War, after which they reverted to the format that we are so familiar with.

In this budget, on more than one instance, there was a call by the Minister of Finance on behalf of his colleagues for consultation. In fact, one of the very early statements made by him at page 1 of the budget speech states:

"We would hope, thereby, to consult and receive the support of our people as we take difficult decisions in their interest over the next several years."

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At page 11, we see the Minister of Finance again calling for consultation.

"We plan to consult broadly with all segments of the population in this exercise."

And at page 17, we see another promise which states:

"This Administration intends to consult with all relevant groups—churches, community-based organizations, trade unions, business, local government bodies, *etc*—in taking decisions about the distribution of the continuing heavy cost of adjustment."

Now, I have no doubt that is the road to take. The tendency of the world economy today offers little hope to even the developed world, far less the Third and underdeveloped and developing world. The world no doubt is in a serious crisis. As soon as the cold war ends and mankind is no longer threatened with annihilation by atomic weaponry of the super powers we find ourselves threatened nonetheless by not being able to properly manage the resources of this world in which we live in the interest and to the benefit of the human species.

3.10 p.m.

I think that in this world context where we find ourselves, perhaps being the only plural society on the planet that has reached the stage where the Government and the official Opposition can extend a hand of friendship to each other—we have reached the stage where the races are not at loggerheads with each other. There is a degree of racial expression in the politics, that is a historical heritage, but if you get to the bottom line, to the fundamentals, we are not at loggerheads with each other in this society. There is a very high degree of harmony among the various races, among the various ethnicities.

Far older societies than ours have found themselves in this period of world crisis erupting in civil war because of cultural and ethnic differences, and for no other reason. Those differences have historically existed here and yet there is no threat in the foreseeable future of our descending to destroying what we have so generously been endowed with by the creator and what we as citizens of Trinidad and Tobago have built up. We have a chance. I do not think that any other country is as well-poised as our country to be able to find a formula for fully mobilizing the real resources that are required for development and for the satisfaction of human needs because those problems are not the pressing ones. What are we doing?

We have a Constitution and by all means, as Members of Parliament, we will subscribe to it. The ground rules have been laid down. We have accepted those ground rules and we have pledged loyalty to the Constitution, to the law and to the people of Trinidad and Tobago. But I suggest that we should not allow the constitutional framework to stand in the way of enabling the emergence in Trinidad and Tobago today, of genuine national unity; of the pooling of the resources of all of us in the interest of solving our problems.

I remember when I was very close, for a period of three years, to the late Prime Minister, Dr. Eric Williams. We had a very informative—informative for me—exchange on the principle of collective leadership in the context of Trinidad and Tobago. I had developed, possibly what could be described as my own philosophical approach to understanding things, and I had argued the case that, instead of a prime minister in the Westminster context, we could have a triumvirate—three leaders. The argument was that if the leader of the African masses, the leader of the Indian masses and one neutral person respected by all, shared power collectively the democratic process would be dynamic.

My argument was that if two-sided in agreement, the one who disagreed need only persuade one of the others to his point of view to change the position and we would have a very dynamic leadership. Dr. Williams said that he did not think it would work. He said that Napoleon had tried the triumvirate. He gave me the dates and the historical context; I do not remember quite what they were. He said that, in the Soviet Union they had tried the troika. They had not been successful but that he had often contemplated the possibility of the principle of collective leadership for Trinidad and Tobago with a committee of five instead of a prime minister. That was a very memorable exchange for me, because Dr. Williams, I had seen all along as being the kind of Third World leader who accepted lock, stock and barrel what we had inherited historically.

When we framed our Constitution, the framers tried their best to reduce to writing what the British society had experienced. Now the British do not have a written constitution. But we sought to institutionalize in writing, in the form of a written constitution, the institutions of tradition which had evolved in what was then called the Mother Country, when we were seeking to break off the umbilical connection between our colony and Great Britain. We have tried. We amended it in 1976, but we, by and large, have maintained the same format. In my view it is that Westminster Constitution that frustrates the possibility of the emergence, at a time when I think it is desperately needed for our country, of a genuine government of national unity.

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The election has been fought. It has been won by the People's National Movement. Quite rightly, under the Constitution, the leader of that party is the Prime Minister. Under the same Constitution, the leader of the Opposition party is the Leader of the Opposition in the House. And here we are trying to maintain a relationship that does not offer genuine power sharing possibilities. I think that this is when we need a form of power sharing.

My leader, and the reason I have associated with him for the many years that I have, has invested his entire political life in trying to achieve in this country the unification of the masses of our people, recognizing that history gave real power to one group of people, first of all, the colonial master. He had real power. We were brought in as Trinidadians and Tobagonians, we were brought in grudgingly to the process of making decisions when the Governor-in-Council presided and the Governor had all the power; all the locals who sat on that Council had none whatsoever. All the Governor did in fact was to extract from them the feelings of the people so that he could continue to govern, and when it was necessary to bring the marines, they were brought.

I have been trying to see how within the framework of this Constitution is the possibility of power sharing, but it does not really lend itself to that. But I am satisfied, as the Member for Couva South is obviously satisfied, that if we do not unify the masses, those who historically had the power, and who have passed it on to their agents, and who today still have the effective power of determining the economic direction of this country, will continue to rule effectively regardless of who sits on the Government Benches and who sits in the Opposition Benches of this House. It is in their interest and no one else's interest to divide our country.

3.20 p.m.

Now any objective observer will have to admit that the election that was just concluded, although this is not a country where race is a problem, demonstrated that there are definite racial divisions in the politics. Our Afro-Trinidadian and Tobagonian brothers and sisters favour the People's National Movement; our Indo-Trinidadian—not so many Tobagonians—favour the United National Congress. In fact, Dr. Ryan did a demographic study of the constituencies presenting the racial content of each constituency among the electorate, and you can look at that study and know the outcome of elections. Now, how do we find a means?

If the Prime Minister of this country decided to share power, he has, in fact, under the Constitution adequate power to do so, because all of the power is vested

in him under this Constitution. In fact, if you have a prime minister who is prepared to abuse his power, as the outgoing one obviously was prepared to do, the powers are dictatorial.

I have already given the Prime Minister a sombre warning that if he only moves in that direction I would use my artistic flair to paint the picture of Dorian Grey as I did with the NAR manifesto. Those of my colleagues who shared the Parliament with me then, would know that I transformed a smiling good-looking, young Tobagonian—not so young, perhaps—to look like Adolf Hitler and I have warned the present Prime Minister that if he forces me as an artist to modify this very beautiful picture, I am going to make him look like the Member for Tobago East.

If the Prime Minister is not prepared to share power, and I think it is unfortunate that when he was first elevated to office he left consultation with the Leader of the Opposition for the very last. He consulted with all the interest groups in the society and finally consulted with the Leader of the Opposition. I think that was unfortunate. The Prime Minister became Prime Minister on Monday night when we knew the result; the President swore him in on the following day. The Leader of the Opposition did not leave until Saturday.

The point is, I was disappointed. In fact, I tried to contact my friend, I had the telephone numbers but apparently nobody would pick up the phone. I dare say that is understandable, at a time like that he would be inundated with calls. I was trying to get him, in fact, to suggest to him that he should consider the innovation that had been promised by the leader of the United National Congress of sharing power with those Members of Parliament whom the people have shown confidence in and even going a step further by bringing through the Senate, representatives, one or more, of parties that did not win in the election and sharing power with those people. I knew that what he was talking about was to consult with NJAC and no doubt to invite whoever NJAC appointed to serve in the Cabinet of Trinidad and Tobago and in this way, meaningfully achieve the unity that is required at this critical time.

I was trying to get my friend to suggest to him to give it some thought, to consider Cabinet appointments for the official Opposition and for others. For example, if the Member for Tobago East, who demonstrated quite clearly that he and the remnants of the party emerge to represent Tobago, if he had been invited into the Cabinet and offered the portfolio of responsibility for Tobago, then today we would not have to worry about his agenda; why is he not here. We would not have to worry about it. We would not even harbour the thought that the agenda

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might include the possibility of secession, of the breaking up of the unitary state. But some of us do worry about that.

When Prime Minister George Chambers was in this Parliament prior to the death of Dr. Williams, he developed an extremely good relationship with Members of the then Opposition. In fact, we all remember that when we adjourned for tea, he had a place reserved for him which was next to Mr. Panday. When he was appointed Prime Minister, unfortunately, the Constitution did not permit the maintenance of that relationship. But at that time there was the possibility of power-sharing.

Now, I know that exchanges have been enjoyed between these two individuals and the outgoing Prime Minister, who is now in retirement, expressed disappointment that he was not able, in fact, to carry that relationship into his Government. The reason he expressed for not being able to do so is that his party would never have permitted it.

I fought the election, I am one of the old narrow people, but unlike the Member for Barataria/San Juan who is a young tigress, I am an old elephant. But we are both creatures of the same political jungle. It was unfortunate that it could not have begun then, because that too, was good timing for this country to achieve unity. With the death of the late Prime Minister, Trinidad and Tobago was on the verge of a new era, quite obviously, because that individual enjoyed tremendous stature and real power. But the party would not tolerate power sharing at that time. I do not know how the PNM will be disposed to considering deviating from the constitutional form.

At this time I cannot venture to suggest how the party membership feels. But what I can say is that having come out of a pretty rigorous campaign, what I found during the campaign was an extremely good relationship between me, as a UNC representative, all the UNC activists and all the PNM activists and candidates. Now I do not know whether that was strictly because we had this common problem to remedy. I think it was more than that. I discerned that, in fact, the relationship continued and that is why I can stand here and say that I honestly harbour no resentment and it is going to be very hard to serve this traditional role of Opposition. Mind you, I am capable of doing it. I have had a lot of practice.

I want to suggest that if the Prime Minister cannot, in fact, consider the possibility of a power-sharing arrangement, that he can use this forum for a degree of, not so much sharing of power, but sharing of responsibility, by recruiting those of us on this side who have ability in the process of government

by establishing meaningful committees. Now, our party subscribes to that; we had in fact in our manifesto promised that, that we would establish working committees of the Parliament, so that you can pool the resources of the people's elected representatives and those who would be nominated in assisting in determining questions and issues.

There are certain areas; for example, the area of unemployment is a pressing problem that all of us recognize and the Member for Laventille West focussed on it, as I think every one of us did. The budget itself focussed on it. If we could form a committee dealing with unemployment, how best to mobilize particularly the idle resources of the country, the idle economic capacity for job creation in the interest of our country, particularly in the interest of those who are unemployed, that would be a great step in the right direction. That is one.

In the Standing Orders there is provision for a committee on foreign affairs that has never been put in place. That is another one. A committee on crime, because this is another very serious problem confronting the nation. That same committee, perhaps, could deal with the drug menace. Empower these committees to interface with the public, through having inquiries similar to the way congressional committees in the United States do from time to time. Now, naturally, the committees will not have the power of the Parliament, but they can represent the Parliament in these exercises and those exercises can inform the decisions that we take as well as the policies of the Government. There are perhaps other areas that could be considered.

Another way that power could be shared is at the local government level. I suggest that the Minister of Local Government seriously consider resuscitating the village council system. Let us approach this exercise together to ensure that partisan politics does not come into it to divide our villages. But to go a step further the problem with the village council movement, apart from the partisan divisions that have crept in, is that meaningful resources are not released to the management of the village communities. I suggest that if you identify those things that a village council, whatever you want to call it, could do by mobilizing the village resources without the intervention of central or local government, the resources should be released for their management to do those things.

For example, fixing potholes—that is very easy to accomplish—ensuring proper drainage in an area so you do not get stagnant water breeding mosquitoes; the provision of street lights—all you need is an extension ladder to climb up and change the bulb; ensuring that every household in a village community has pipe-

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borne water, that is a relatively easy thing—digging a trench, laying down a pipe, putting in a few fittings. All you need is one competent plumber to give a little supervision and the community can attend to these things itself. Even in some cases the building of bridges and of minor roads and so on, with some resources, the community can do these things.

I suggest further that those community councils be brought into the local government system in a formal way and that the annual budget make provision for the resources that are required at the village government level, at the local government level, and that we make the releases in the form of funds for the management. The Tobago House of Assembly enjoys that degree of autonomy, that degree of independence. We can trust our people in Trinidad to do it. In fact, I am satisfied that under the management of the communities of those resources that are there for community improvement, the dollar will stretch; you will get far more efficient expenditure of the state's resources. It will give the communities the reason to maintain themselves as councils, for the village council system has collapsed because they do not have meaningful tasks to undertake. They have no resources with which to mobilize to deliver and therefore people get bored, they see no reason to continue meeting on a continuing basis, and they go their separate ways.

Madam Speaker, I am satisfied that if this approach is used and if there is a close working link between the central government, the Parliament, the Exchequer and two other tiers of meaningful government, many of the problems that we are faced with in this country can in fact be resolved. It is a form of power sharing; not to make the local governments an agent of central government, but to divest part of the power to the people at that level.

In the budget there is provision for mobilizing the construction sector, and I want to present one or two statistical facts that will illustrate that the construction sector is not going to be mobilized by this means. At page 28 of the budget speech the Minister states:

"In order to stimulate the construction sector as a means of reducing unemployment, it is proposed to re-introduce an allowance for home owners who spend on repairs to their owner-occupied residences."

The Member for Diego Martin West gave some statistics and stated that about 7,000 people have taken advantage—I do not know where exactly he got the figure—of that allowance, and that each one of these people would provide 10 man-days of work which he calculated to be 70,000 man days. But 70,000 man

days over a 300-day working year would provide permanent employment for 234. But the unemployed number 125,000. So how are you going to impact on unemployment by that means? That is not the way to do it.

The construction sector of this economy, during the oil boom years, and in fact part of the enormous amount of money that was spent as was alluded to by the Member for Couva South, went into importing equipment for that sector into this country. You have contractors who during that period accumulated a tremendous amount of capital equipment. Some of those contractors have been able to survive and have that equipment parked in their yards, millions of dollars of equipment. In addition, we built quarries all over the country and we equipped them with modern crushing equipment; we provided the infrastructure to enable those quarries to deliver the aggregates, which are so essential; we expanded a cement plant. We built a steel mill. These things we had.

That steel mill was designed to produce high tensile steel wire rods. It is a wire product that was designed to produce—it was really aimed at satisfying the American market, because in the United States about half of their wire rod requirements were imported—but that is the key material used in reinforcing concrete for construction. So you have the cement, the aggregate, the steel, and if our architects and our engineers are brought into this process of national unity in the interest of solving our problems, they would start putting their minds to designing buildings that use indigenously-sourced materials, so as to conserve foreign exchange.

The United National Congress recognized that by mobilizing the tremendous idle capacity in the construction sector, which includes factories that have been built that are operating at only part of their capacity producing a very wide range of construction requirements, starting with blocks of concrete and clay—we have the world's finest national waterproofing agent coming out of the ground in La Brea, the Pitch Lake. So there is no reason why there should be leaks in the roof of the Police Station at Sangre Grande. We can produce the simple roofing materials to keep the water away from our people. We have the resources to do it.

We built a wide range of factories, all operating at a very small part of their capacity. Our approach to mobilizing the construction sector as a whole was to put all of these resources to work, but to aim at two critical areas of satisfying social need: Aim at establishing for all time self-sufficiency in food, because if we feed ourselves as a nation we can truly be independent; if we cannot, then we cannot be independent. I am satisfied that we are capable of doing it because we have done it in the past.

During the Second World War, those of us who are old enough—I was very young at the time but I can remember—would recall that when the German U-boats were torpedoing all of the supply ships that were coming into Trinidad, a programme of emergency food production was implemented and within a few short months we were beginning to satisfy our people's need for food. Everybody was producing food. They took their flowers out of the pots and they planted tomatoes, lettuce and cabbage and so forth, and they did it. Now that we have Caroni Limited, now that we are one of the major suppliers of fertilizers, where the Government owns such a high percentage of the land and where there is a culture among some of our people—they were brought here, in fact, to work the land, they have continued to work the land and they are ready, willing and able to work the land—there is no reason why we cannot do it.

One of the thrusts was to lay the infrastructure, to develop the land, distribute to those who are prepared to work it to produce basic food. Now what would that do? First of all, that would give us food to eat, that is security for all our people. It would also reduce the food import bill and therefore to some extent help in solving the balance of payments problems.

The other thrust is to provide shelter. Shelter is required in everything we do as human beings. There is a critical shortage of houses. Again, if the architects, the engineers and all of those who are engaged in construction were called upon to pool resources and to find an approach to providing shelter for our people with a minimum of import content, we can do it. I know we can do it. In fact, it has been done. If you want to go to the basic simple provision of shelter, the ajoupa, that is round wood taken out of the swamp, the mangrove wood, and that is the timite leaves taken off certain palms and you virtually build a shelter with that that is 100 per cent indigenous, but today we have cement aggregate, steel, we have factories producing all kinds of sophisticated things.

We do not need to go that route, because the basic problem—and it has come in this budget glaringly—I see it like having a well that can provide for all our people all the essentials of life, and dipping a bucket into the well but finding that the bucket has a hole. We have to transfer those resources to where we will enjoy them, but in dipping the bucket the resources are leaking out. So when you do transfer them to where you need them, there is little left. The Government in this budget, instead of fixing the hole in the bucket, is stopping taking from the well. They are letting the paucity of foreign exchange limit the capacity to mobilize our people and our idle capital and our capability in satisfying the basic needs of the country. Foreign exchange is the critical factor.

Now, if what I suspect is true, I cannot criticize and condemn the Prime Minister and his team's strategy, because I discern from the budget speech and from other contributions that it is a short-term, stop gap measure.

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

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

Question put and agreed to.

Mr. Humphrey: In his budget speech the Minister of Finance has made it quite clear in more than one place. At page 17, he says:

"The main consideration in setting the size of the budget is our concern to rebuild the country's foreign exchange reserves."

He says at page 7:

"...tight fiscal policy was accompanied by an easy monetary policy which left the authorities unable to staunch the haemorrhage of foreign exchange in the second half of the year."

He went on to give the gross foreign exchange holdings of the Central Bank. They fell.

"The banking system as a whole ended the year with net foreign exchange reserves of around US \$50 million..."

He said it, also, at page 11, and in fact, at page 11 is the focus of the budget:

"...we have necessarily focussed on the immediate stabilization of the economy."

Now, from the way I discern both the budget and things that have been said during the debate, there is need for immediate stabilization, because we have got to impress someone that the country deserves a breathing spell, and if we get it, we can then change certain conditions, relieve certain pressures, mobilize more resources.

What I suspect is that it is the IMF that needs to be appeased, because without IMF sanction, we cannot possibly go to the World Bank, to the IADB, to the Paris Club, to the Japanese Bank or to any multilateral lending agencies to seek rescheduling, which is absolutely essential, because the budget also pointed out that there is going to be a net adverse foreign exchange position after all of these measures, even though you are bringing lots of pressure on our people which you

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do not want to do. Madam Speaker, if this is in fact the strategy, I think that all of us in this country should endorse it and do everything in our power—

3.50 p.m.

Hon. Member: In the short term.

Mr. Humphrey: —in the immediate term to enable it. We definitely need to talk to the world lending community about a degree of debt forgiveness, because a Government that has come in mid-December 1991 cannot be condemned for what it found. It is the Government that was there before. And during the five-year NAR period, what we witnessed was a tremendous amount of borrowing and very little to show for it; but we have to repay it. What we also saw was that the outgoing Prime Minister negotiated five years of ease for himself which all bunched for whoever was to follow, and now we see the effects of the bunching.

If in fact that is the basic strategy, then I think in fairness to the national community, we should be called upon, "Listen, brothers and sisters, there is a period of difficulty. If we can succeed in what we set about, and we can in fact have successful negotiations in rescheduling a degree of debt forgiveness, possibly debt equity swapping, and more favourable conditions generally in our interest, then the national community should rally in support of the strategy." But I have not heard this expressed.

Hon. Member: We were waiting on you.

Mr. Humphrey: Let us look at a few practical things that can be done to ease the plight of some of our people. For example, you have got the public servants, many of whom have purchased government-provided houses over the years, and have mortgages. One practical thing that could be done is the debt equity swap. You owe the public servants; those who have mortgages on government-owned houses, you could sit with them and negotiate to liquidate the mortgage totally in lieu of what you owe them. What that will do is ease a tremendous pressure on those people. A number of them—and during the course of contributions from the other side we were told this—have lost their houses, their cars, and so on.

As regards the squatting community, for example, I do not think that it is practical to promise that we are going to regularize them, even on the terms which are superior to those that were being imposed by the last Government. I remember clearly—and, in fact, in the rural areas you still see it—if you see a rio plant, nine times out of 10, it is a boundary, and the community accepts it as the mark indicating the ownership of land. The squatting community knows

within itself, who owns what. Why can we not pass legislation guaranteeing security of tenure of the entire squatter population on state lands—and we have the power to do that—and allow those communities to define their own boundaries until we can rally the resources required to do the surveys, to prepare the deeds of conveyance?

It is going to take forever to cater to the needs of 30,000 families. We shall never, in fact, be able to do it by the present approach. But if we pass legislation giving security of tenure, the division of the Government responsible for the squatting settlements in the country could very easily issue a letter. The squatter could take that letter to a lending agency and borrow a certain amount of money to improve the house. If we move in upgrading the powers of community government and releasing resources, they themselves could provide the roads, drains, water, and so on—of course, supported by our Minister of Public Utilities. And it would not be hard to achieve this. In fact, in our manifesto, that was the approach that we had promised—that we would pass legislation to immediately provide security of tenure to all the squatters on state lands, and then gradually you bring it up-to-date. You do not have sufficient land surveyors. It is a tedious job, you know, locating boundaries, to find the datum and then to sit at the drafting board and to put that data down. We can never do 30,000 in the life of this Parliament. Never! So that is another practical consideration.

I have no doubt that if we all have the will, we would indeed find the way to resolving the serious problems confronting our society, our nation. And I have no doubt that if at this level of the society we demonstrate a commitment to unity, the rest of the society would demonstrate that same commitment.

The Member for Couva South, was quite right when he alluded to the Clean-up Campaign early in 1987. In fact, I recall that when A Day; of Reconciliation was held and a massive meeting was called in front of Whitehall at the Savannah, seeing all of my PNM friends and PNM opponents there, sharing in that Day of Reconciliation, demonstrating a willingness, in fact, to pool resources in the interest of this country. I think that spirit is still there among all of us. It is unfortunate that we had a leader who was not in tune with us, and we lost a golden opportunity. All I can do is pray that this leader will seize what I think is another opportunity, mainly because of the quality of this leader.

Madam Speaker, I am satisfied, that if we do not seize the second chance that we are being given, somewhere down the road it is going to happen. I have no doubt that is what our people want, and I think that it is incumbent on us to see if we can deliver it to them. It is a totally different mood from this Member

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on this occasion. But, quite frankly, if we do not seize this opportunity in the interest of our people, I cannot see myself maintaining this conciliatory, peaceful, loving, mood, and I am not looking forward to changing it.

4.00 p.m.: *Sitting suspended.*

4.50 p.m.: *Sitting resumed.*

The Prime Minister (Hon. Patrick Manning): Madam Speaker, permit me to begin by congratulating all those hon. Members who contributed to this debate in any way and, particularly, I wish to congratulate those Members of this honourable House who have made their initial contribution in this Parliament.

Over the years I have had the opportunity to listen to many budget presentations and to many replies by leaders of the Opposition. This budget presentation of this Minister of Finance—especially when viewed in relation to the reply of the Leader of the Opposition—clearly marks the distinction between those who aspire and those who achieve. And so, Madam Speaker, permit me to raise my voice and to join with the many voices inside and outside this Parliament who have congratulated the Minister of Finance on his first budget presentation, and a presentation which will go down as one of the more lucid and transparent budget presentations in this Parliament.

The significance of that achievement is that much greater when one takes into account the fact that the election was held on December 16, 1991, that the new government was appointed some days thereafter, and immediately the government went into three days of training. So that, effectively, the government began to operate on December 27, 1991. The period between December 27 and January 17 when the Minister of Finance made his presentation to this Parliament is one of a mere three weeks. The achievement of the Minister of Finance is therefore truly outstanding.

Madam Speaker, three days of training. Three days of training because the PNM is determined to ensure that the country does not make the same mistake twice, and that we fully recognize that the experiences of the PNM prior to 1986 are not just the experiences of the PNM but also the experiences of the country. And the experiences of the ruling party between 1986 and 1991 similarly constitute the experiences of Trinidad and Tobago. What we were seeking to do, therefore, was to examine these experiences very closely to ensure that the new

beneficiaries of the consideration will be the people of Trinidad and Tobago. And so as we entered into this programme of training, the Ministers and other Members of the Government were exposed to a team-building exercise on the one hand, to ensure that members of the Government fully understand the principle of collective responsibility and that private views remain private views.

As a member of a government, private views really are of no interest to the national community; and whatever one individual does has implications, not just for himself or herself but also for the team of people of which he or she forms a part. It is an attempt to bring a degree of management of the conduct of governmental affairs, and in the same way that we sought to do it from the inception, I assure you that it is the intention of the administration that I head to bring management to the conduct of government affairs at all levels of our operations.

Just for the record, we also in that three-day training programme exposed Ministers and other members of the Government, many of whom have not been associated with government before, to the basic system of government by which we operate and the mechanisms by which a minister is expected to operate *vis-a-vis* the public service. And I should also add that just two Saturdays ago—or was it one Saturday ago—all Members of the Parliament were brought back in to interact with the media: members of the print media, be it weekly or daily newspapers; members of the electronic media, be it radio or television—a one-day seminar, so that Members of Parliament will understand the environment in which we operate and get a perspective, from persons operating in the media, as to what the media expect of Members of Parliament and, vice versa, the media will get an impression of how Members of Parliament see them. I assure you, Madam Speaker, and I assure the national community through this medium that—training is something that will be a continuing feature of this administration as we seek to provide Trinidad and Tobago with the best government available to it at this time.

Between the period December 17, when I was first sworn in as Prime Minister, and today, I embarked on consultations at all levels of the national community. Not just waiting to be asked to pay courtesy calls, but actively going out and interacting with important sections of the national community—not necessarily in any order of priority. And permit me to say immediately that if it appeared as though the Leader of the Opposition was consulted last in that exercise, it is only because the Leader of the Opposition was appointed some time

after the Prime Minister himself was appointed, and at the time of his appointment I think the Leader of Opposition was not in the country.

5.00 p.m.

So that I sought to meet with the Leader of the Opposition and he was kind enough to agree to meet with me on the first available opportunity when he was back in Trinidad and Tobago. So that the consultations that you saw were consultations designed to set a certain atmosphere in the country, consultations that were designed to indicate to the national community that the PNM was committed to the principle of participatory democracy that is enshrined in the party's vision; consultations that we confidently hope and expect will bring a wider cross-section of the national community into the conduct of governmental affairs. So these consultations will continue.

One of the important spin-off effects that we hope to achieve by it, is a greater level of confidence at all levels of our society. We are in difficult economic times. We are in circumstances where it is quite easy for people to lose hope; it is quite easy for persons in our country to get the impression that all is lost. So I consider as an important aspect of the responsibilities of my Government and me, particularly, to seek to create within the national community that atmosphere of confidence and that atmosphere of hope which I believe, and which all of us on this side believe, may well be necessary prerequisites to a solution of the major problems that confront us, especially the burning question of unemployment and the associated concerns of crime and other negative factors.

This debate today has taken a very interesting turn indeed, and I think it is appropriate for me to draw the attention of hon. Members and that of the national community to the fact that ever since 1987 when the PNM met at its 27th annual convention, the party—not the Leader—committed itself to the consultative process at all levels. So that two conventions later, at the convention in 1989, when the Political Leader of the party addressing that convention, indicated as part of the party's energy policy that energy was too important in the economic and social life of the people of Trinidad and Tobago to be involved in the cut and thrust of politics in a manner that can be disadvantageous to the people of Trinidad and Tobago, the party's convention had no difficulty in accepting that point of view.

In fact, the convention went one step further by endorsing the view as part of PNM policy that was expressed at that time, that the PNM in government would seek to depoliticize the energy sector, recognizing its importance to the people of

Trinidad and Tobago. It will do it by seeking a mechanism for consultation between the Government and the Opposition, and if the mechanism is found to be workable, as it was first put in the original statement, then it will be given a parliamentary complexion. We were careful at that time to place a caveat on it, and the caveat was, within the constraints of Westminster democracy, because that is the basis on which we operate.

When the Leader of the Opposition and I met some time ago, this was a question that was raised, and the Government is now committed to seeking to establish a mechanism for consultation on energy, using the mechanisms of Parliament. Exactly what will emerge as of now, has not been worked out, but the commitment is there; the political will for the mechanism is there, and there is going to be an honest and diligent search to ensure that something that is workable is put in place.

The whole idea behind it is that the energy policy of this country is not one that should fluctuate, based on the government that is in power at a particular time. It is just too important to the lives of the people of Trinidad and Tobago. What we are seeking to do, therefore, is to have these consultations take place so that whether A, B, or C finds himself or herself in power at any particular time, that person can be assured, to the extent that that is possible, of continuity in the energy policy, so that the people of Trinidad and Tobago are not adversely affected. Also, that a new Government coming into office does not find itself in a position where it will have to sit and review the energy policy; the delays associated with that, being delays that can be adverse in terms of their impact on the economic and social life of Trinidad and Tobago.

Similarly, there is a commitment to set up mechanisms for consultation on foreign policy, the external relations of Trinidad and Tobago—Trinidad and Tobago's relations with other countries. That is one area in which there is a clearly identifiable national interest, and that interest, as I am sure you will agree, must take priority over the partisan concerns of one political party or the next. The principle of consultation is one to which the PNM subscribes, not just as a government, but as a political party.

So that when the hon. Member for St. Augustine made his contribution a few minutes ago in this honourable House, it sounded to a great extent as though the Member had familiarized himself with the PNM's manifesto. I am not questioning for one minute the honesty and sincerity of what the hon. Member said, but permit me to draw your attention and the attention of hon. Members to page 41 of

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the manifesto of the People's National Movement. Under "Community Development", it goes as follows:

"Community Development, a strategy for mobilizing and sustaining community participation, is viewed by the PNM as a key instrument in the nation building process. The PNM reiterates its commitment to this philosophy of nation building through community participation."

It goes on further to say:

"The PNM pledges:

- To facilitate the participation of Community Councils in the Local Government system
- To institute training in Community Leadership and Management to upgrade the capabilities of Community leaders."

Very similar to what we heard emanating from the hon. Member for St. Augustine. Elsewhere in the manifesto, on page 44, under "Local Government", it goes as follows:

"The PNM is conscious of the fact that participation at the local level requires the development and strengthening of other community institutions such as village councils and youth organizations to ensure the widest possible participation in the local government process."

Again, a sentiment that was echoed by the hon. Member for St. Augustine when he addressed this honourable House not too long ago. It is clear that there is a commonality in the approach of the Government and the approach of the Opposition, as expressed by the hon. Member for St. Augustine and the hon. Member for Couva South, who preceded him a few minutes before.

5.10 p.m.

When we went to the polls on December 16, we campaigned on the basis of this manifesto, and we campaigned on the basis that there will be no coalition arrangements. I want to assure you, and the national community, that the PNM stands by that commitment. Nor do we consider ourselves as having a mandate to adjust the system of government under which we operate, the system of Westminster. That is the system under which we operate. That question was not even raised in the election campaign. Therefore, we do not consider ourselves as having any authority from the population to adjust the system of government.

However, the Constitution of the country is flexible enough to allow a high level of consultation, as indeed it is our intention to consult very widely, and to consult with the Opposition also, as Members of the national community who represent people who were elected by their constituencies. What the population has said to both Government and Opposition, by giving the Government a majority that does not permit legislation requiring a special majority to be passed without the consultation and co-operation of the Opposition, is that we feel the time has come for consultation between Government and Opposition on matters that impinge on the fundamental rights and freedoms enshrined in sections 4 and 5 of the Constitution of Trinidad and Tobago. If that is the will of the electorate, that, I assure you, is what the Government I head will do.

When the Minister of Agriculture spoke yesterday in this debate he announced two things: one, that the proceeds of the increase in the price of sugar will, in the first instance, be applied to satisfy the requirements of salaries that had not been paid in respect of the award of a court of law. We did not know when the budget was written that such a system existed. It was drawn to our attention when we met with the head of the Sugar Workers' Trade Union—I have to be sure which cap he wears; he is a man of many caps, I understand.

In the same way, we discussed on that occasion a mechanism by which it was possible to solve the problems of the sugar industry. This is my 21st year in Parliament. You will forgive me if I also place on the record, the fact that I am the longest serving Member here, notwithstanding the presence of my friend the Member for Caroni East. Parliament after Parliament, debate after debate, problems with sugar. The time had come, in our view, to sit and work out some kind of mechanism that will satisfy the requirements of those who met around that table and those who have the responsibility for the conduct of the country's affairs, at various levels, and to defuse a major issue which, among other things, has racial implications, and which could have had the effect of further dividing and fragmenting our cosmopolitan country.

The examples of countries around the world in which the differences in the population have been used to divide, rather than unite, are too many for us to ignore. I do not have to point to all of them. The situation in Lebanon is something that every politician should look at and study; the implications for Trinidad and Tobago could have been quite serious. It was our intention to remove that as, indeed, it is our intention to remove from the national agenda, other areas that have served as impediments to the peace and good order of Trinidad and Tobago.

So, when the Minister of Agriculture announced yesterday, the commitment of the Government to sit with the representatives of the company and representatives of the trade unions, it was yet another manifestation of the sincerity of the Government, of which I form a part and have the honour to lead at this particular time. It is no different from the situation in Tobago, in some respects. If it is that the people of Tobago as articulated by their representatives in the Tobago House of Assembly, would like constitutional guarantees in terms of the relationship between Trinidad and Tobago, to ensure that what has been brought into law cannot easily be removed by a government coming into power, merely because it disagrees, if that would make the people of Tobago feel more secure, this Government is committed to sitting down and putting the appropriate mechanism in place. It is a pity that there is nobody here from Tobago today who is able to respond to that.

So, I am a little surprised that the provisions of this document, the *Draft Estimates* escaped some Members on the other side. When you look at page 46 of this document, you will see under "Current Transfers and Subsidies", item 16, "Centre for Ethnic Studies", and a provision in these estimates of \$1,058,741. What is that provision for? Whatever the merits or demerits of the particular course of action, it is one to which the PNM had committed itself in the election campaign. We had argued, different from our colleagues on the other side, that when you are dealing with matters as sensitive as race relations, you have, of necessity, to be extremely cautious. I subscribe to the view that was articulated by the founder of this nation, Dr. Eric Williams. On matters of this nature, you put one toe forward and you test, you retrieve it; you put the other toe forward and you retrieve it, after testing; then you make one step and then you begin the process of testing all over again.

5.20 p.m.

It has to be, of necessity, a cautious approach because if we should err, as we seek to deal with matters as sensitive and as contentious as race relations, we would find that we have put in place mechanisms that are retrograde in their effect, and that the last state can be far worse than the first. It is extremely dangerous to set up institutions in this regard. You could very well end up, if the thing is not properly approached, institutionalizing race.

Page 53 of the PNM manifesto states:

"The PNM intends to rebuild the foundations of racial tolerance and mutual respect that were the norm up to 1986. In this regard, the PNM will establish a

Centre for Ethnic Studies at the University of the West Indies which would have as a primary objective the task of keeping race relations in Trinidad and Tobago under constant review and providing on-going information and recommendations for improvement."

That is the basis on which we approach the national community. And it is in keeping faith with the people as we stand by our pledges in this manifesto that this provision has been made in the estimates for 1992.

The provision has been made after consultation with the University of the West Indies. Again, the process of consultation. I have a letter here with me dated January 8, 1992. It is from the campus Principal, Professor Richards. While the entire letter need not detain us, permit me to quote from an appendix to the letter which is a proposal for the Centre for Ethnic Studies as follows:

"The alternative model involves..."

which is the model that the University is recommending—

"the establishment of a unit or programme inside the Institute of Social and Economic Research, similar to that of the Regional Monitory Studies Programme or the Women's Studies Programme. The Monitory Studies Programme has a co-ordinator, research fellows, a secretariat, equipment and budget of its own which is managed by the institute, but has considerable autonomy in its everyday operations."

It goes on elsewhere to say in terms of staffing:

"We propose that the centre will have two co-directors who will be jointly responsible for policy and research activity. The Director of ISER will however have overall responsibility for managing the day-to-day operations of the centre and its support staff."

And these proposals go into greater detail as to the structure of the Centre for Ethnic Studies.

The Minister responsible for tertiary education, the Minister in the Ministry of the Prime Minister, will be directed to pursue the contents of this letter with the university and to ensure that the Centre for Ethnic Studies become a reality in the shortest possible time in the context of a provision already made in the budget to set up this centre.

The responsibilities of the centre will be to study this entire question of race relations, an independent body of the university, not any political party. You

initiate studies on this question of race relations, these studies will be made public and will be used as a basis for decision-making by the Government of Trinidad and Tobago. We are committed to it and once again we are keeping faith with the population as we translate into action a pledge that we made to the people of Trinidad and Tobago when we sought their franchise not too long ago.

Mr. Humphrey: Madam Speaker, the Prime Minister keeps talking about keeping faith with the population, but I should like him to answer a question. Various members of the population who voted for the United National Congress and for its Leader, did they vote for us to be in the role of Opposition or in the role of Government?

Mr. B. Panday: They do not count.

Mr. Manning: Madam Speaker, I think I have to be cautious that I am not lured into what the hon. Members opposite are trying to draw us into. It is not a question that they do not count. I do not know why the hon. Member for Couva North wishes to adopt that antagonistic posture. That is not our view. Our view is that we contested the election under the Constitution that is designed in the context of Westminster democracy, we propose in accordance with the oath that we took to adhere to the provision of the Constitution and the law.

The budget, and the situation in which the Minister of Finance and his colleagues found ourselves when we assumed office effectively on December 27, 1991—because you see, I think it is very important that this country labour under no misapprehension. We must have the facts right. The facts are that when the International Monetary Fund concluded consultations with the Government of Trinidad and Tobago in May of last year, the medium-term balance of payments projection showed no financing gap between 1992 and 1996. On the contrary, the IMF anticipated a substantial build-up of foreign exchange reserves in the context of an economy that was growing in real terms at three per cent in 1992 and rising to 4.5 per cent in 1995. But by December, the IMF itself was projecting substantial external financing gaps associated with the same healthy growth rates which it had examined nearly six months earlier. Instead of an accumulation of reserves to the equivalent of eight months' imports by 1996, while also paying off debts to the order of US \$500 million in that period, the IMF was projecting a shortfall in financing of US \$236 million in 1992, US \$173 million in 1993, and US \$30 million in 1994. Suddenly, the future did not look so bright.

And what about the past? Two key measures of performance in stabilizing the economy are: trends in the overall fiscal deficit and the gross official reserves.

On the surface, over the period both indicators appeared positive. The fiscal deficit as a percentage of GDP in 1986 was 5.9 per cent, so the official statistics now say, 1987—5.8 per cent; 1988—5.7 per cent, 1989—4.2 per cent, 1990—1.3 per cent, and 1991—0.4 per cent.

In respect of gross reserves the figure in 1986 was US \$298 million, 1987—US \$ 126 million, 1988— US \$89 million, 1989—US \$242 million, 1994—US \$470 million, 1991—US \$313 million. On the surface a performance that is quite creditable.

But let us not lose sight of the implications and the impact, the tremendous contribution to this performance from the postponement or cancellation of financial obligations and of access to IMF resources in the period 1989 to 1991. Among the actions taken into account were: 10 per cent cut in public sector wages in 1989 and 1990, failure to pay the Industrial Court award legally granted to the public sector and Caroni employees, and use of IMF resources to boost the balance of payments and finally, the re-scheduling of external debt obligations. All of these together had a significant impact on the fiscal account of the state which led to the performance that I had outlined before, and their impact is quite significant indeed. The financial value of the actions referred to was significant. The 10 per cent wage cut saved the Government about \$300 million per year, while the accumulation of arrears of salary is estimated to be about TT \$1.6 billion. That is the total arrears as of now.

5.30 p.m.

Relief of debt service to Paris Club and commercial bank creditors over the period amounted in total to US \$727 million, or TT \$3,089.7 million. This represented a full benefit to the balance of payments which in each year exceeded the increase in the gross foreign exchange reserves. In other words, had these steps not been taken, we would have had negative balances on the gross foreign exchange reserves.

In a similar vein, the use of IMF resources in the period, 1988—1991, the equivalent of US \$354 million in special drawing rights was about twice as large as the increase in reserves over the period 1988—1991. In addition, the rescheduling of the debt also had a fiscal benefit to the extent that the debt concerned pertained to the central government. For the period of debt relief the total benefit in terms of lower budgetary outlays was US \$471 million or TT \$2,002 billion, an equivalent of 2.6 per cent of gross domestic product for the period.

The total fiscal benefit accruing to the government over the period from debt relief and the denial of public service salary benefits was equivalent to 4.6 per cent of the GDP. In other words, instead of averaging 2.9 per cent of GDP for the period 1988—1991, the overall fiscal deficit would have been four per cent of GDP in the absence of this benefit and therefore you can understand that there is little wonder that there was room for tax reform, that tax reform was carried out in lieu of a number of these bills that had to be paid and facilitated in no small measure by the ability of the state to draw down on special drawing rights from the International Monetary Fund. That is the position.

The minute a government says that it will honour its legal obligations the question that arises is: How are we able to do it? I am particularly pleased that we are able to do it in accordance with the provisions of the PNM manifesto. For us a manifesto—*[Interruption]*

This manifesto is not another document, but what we consider a sacred covenant between the PNM and the people of Trinidad and Tobago. That was the basis on which we campaigned, and one of the greatest tributes which could be paid to us in government is the statement that has been made on the other side, the statement that has been made by other parties outside this honourable House, "that the budget held no surprises" and indeed, there are no surprises in it. There are no surprises in the budget because what we intended to do was all stated in the manifesto which formed the basis on which we sought the franchise of the people of Trinidad and Tobago—keeping faith with the population. It is not a question of just writing anything in a document and writing things merely because you feel it is going to attract public support, and writing things which you have absolutely no intention of implementing.

In our manifesto, we indicated that we would reduce corporation tax, and it is our intention to so do. In fact, in other documents, in speeches which form part of PNM policy, we have gone so far as to say that corporation tax will be set at levels which will make our economy competitive. That is what we said and we are committed to that, but in getting there, there is a situation that temporarily faces us where on a temporary basis, in order to be able to satisfy our legal obligations—obligations that devolve on us as a consequence of a decision of a superior court of law—we were put in a position where we had to raise the levels of corporation tax and increase the top marginal rates of income tax in two of the four tax bands.

I ask the national community to note that, contrary to what is being said all around the place about increased tax for persons earning incomes between

\$20,000 and \$40,00; not total incomes—some people who are saying total incomes know better—but chargeable incomes, which is very much different from what some, including some hon. Members opposite, have been advancing to the national community as fact. We are very proud of the fact that in the two lower bands there was no adjustment to the levels of income tax. It represents the PNM's commitment to so distribute the burden of adjustment in a manner that it devolves on the shoulders mainly of those who are best able to afford it, and to protect those of our citizens who are least in a position to help themselves. That is our commitment.

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

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

Question put and agreed to.

Hon. P. Manning: Thank you Madam Speaker, and I thank hon. Members for their kind indulgence.

It was the hon. Member for Oropouche who in his contribution laid down a challenge to us. Why a challenge, I am in no position to say. The challenge was "publish your energy policy as a White Paper and make it available for the scrutiny of the Opposition and the national community". It gives us no difficulty to do that. I have here with me what constitutes the energy policy of the PNM, and, just for the record, the date on the document is November, 1988. While the hon. Member for Oropouche was advising the national community that he would not contribute to any budget in respect of which he was not a part, we were writing energy policy for Trinidad and Tobago.

Mr. Sudama: I am not asking him what his policy was in 1988. I want to know what your Government policy is in 1992. Does he get the distinction?

5.40 p.m.

Hon. P. Manning: The point of the hon. Member is very well-taken, that what began as party policy has now to be translated into the policy of the Government of Trinidad and Tobago. Accordingly, the document appears in three parts: one part is a historical perspective on energy; the other is policies and strategies for the energy sector in the 1990s, the vision of the PNM, and the third is an action plan for the energy sector, based on the PNM's policies and strategies for the 1990s. These documents will now be made available to the technocrats in

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the Ministry of Energy, because, you see, we have also said that it is important to involve the public service in policy formulation.

The public service is much wiser than many people believe, it is a repository, a tremendous reservoir of knowledge. We will make these documents available to them for updating in the first instance. The date on the documents is 1988. The documents will be updated and brought together in one volume and consultations will take place initially with people in the energy sector and whatever adjustments are made will be published as a White Paper. It will be laid in Parliament and it will be put up for the scrutiny of the national community. That is our commitment, to transparency in government, there is no hidden agenda. There is nothing below the table; all of it is on top of the table.

Madam Speaker, I would prefer not to be distracted by those who prefer to play political hop-sotch jumping from constituency to constituency. *[Interruption]* I mean my friend no harm. *[Interruption]* What a thing, I welcome you with open arms.

It was my intention to go into some aspects of the energy policy as outlined in these documents. In fact, the Government is now taking steps to put itself in a position to begin to consider and implement the energy policy. In our manifesto we are committed to setting up a sub-committee of the Cabinet under the chairmanship of the Prime Minister, on energy, recognizing the importance of the sector to the national community, and recognizing the need to deal with the major projects in energy at that level, so that there is no delay in the implementation of many of these projects, which will contribute, as you know, to economic expansion and job creation to which this country aspires. We are at this time considering new boards for Trintoc, Trintopec, and the National Gas Company. Those announcements will be made very shortly. That is a prerequisite for setting up the sub-committee of the Cabinet because of the way we see that sub-committee as being structured as a committee of Ministers and technocrats both inside and outside the public service but inside of the public sector. We will do that as soon as we can.

Without going into the details of the energy policy, there are two things that I would wish to draw to the attention of the national community. One is, that the PNM is going a route that does not take into account a holding company for all the state's assets in energy. We do not agree with that approach, our position is very well documented. Instead, ours is the integration of the producing companies in respect of which the state has the major interest. That is one. I raise the second

one because one of the comments made by hon. Members on the budget is that it gives no new indication of the direction in which we propose to go.

When the Minister of Finance says that a number of CNG stations will be constructed, in identifying compressed natural gas as a motor fuel that will come increasingly into importance beginning in 1992, what in fact he was doing is signalling a major shift in the domestic energy balance away from liquid to gaseous fuels. The argument is that since the gaseous fuels are not easily exportable and since we have them in such large quantity, we should maximize the domestic utilization of gaseous fuels, reserving the liquid fuels for export and for earning foreign exchange which the country so desperately requires. It is not true to say that the budget points to no new direction.

The budget points to a new direction in yet another area. The Minister of Finance announced that provision has been made in the budget to install electricity in certain squatter communities. It is electricity, and it is also water. To make that statement keeps faith with the people of Trinidad and Tobago on the position outlined in our manifesto in respect of squatting where, unlike others, we propose to adhere to the provisions of Act No. 20 of 1986, a law which makes land available to settlers on terms and conditions as a statutory lease for 30 years renewable for 30 more, the premium to be paid, 25 cents per square foot and the lease rental to be \$1.00 per year, payable in advance. This means that for a parcel of land of 5,000 square feet if the Government adhere to the law as we are determined to do, as we are now committing ourselves to do, then that 5,000 square foot parcel of land will be made available to the settlers at a total cost of \$1,280.

As I said, there are those who are saying that there are no new directions in the budget. That is far from the truth, and the re-affirmation of our commitment to this particular law could have implications for a loan that the Government of Trinidad and Tobago has with one of the international lending agencies. It is our intention to review those arrangements to see whether or not they could not be made to conform to the policies of the Government of Trinidad and Tobago. But we are not insensitive. One of the comments that have been raised against this law is that the arrangements are cumbersome. The Minister of Housing has already been directed to review the arrangements in this law and if necessary, bring proposals to Cabinet for appropriate adjustments to ensure that the law can be made operative in the shortest possible time. Again, the PNM is keeping faith with the people of Trinidad and Tobago. That is our commitment as outlined in our manifesto.

"No new directions," that is what some say. How is the tax benefit in respect of trade union contributions viewed by hon. Members opposite? In circumstances where there was a perception that in the recent past there was a move to smash the trade union movement; and in circumstances where trade unions in this country were losing membership at a rapid rate and where as a consequence, trade union leaders, some argue, were forced into a position where they had to adopt extreme positions, this particular provision of the budget will have the effect of stabilizing trade union membership, giving to trade union leaderships a greater security of tenure, and removing the feeling that an extremely antagonistic position ought to be adopted. View that measure as an investment in the social stability of the people of Trinidad and Tobago.

It has been said by hon. Members that nothing has been said in the budget that gives an indication of the economic direction in which we are going. When we talk about stimulation of the construction sector, we recognize that if we give fiscal incentives, then they are the most powerful incentives that could be given to channel the activities of sections of the community in the chosen direction identified in accordance with government policy. The maintenance allowance is one, and the provision in respect of the use of contributions to pension plans for first time home-owners, together, will have the effect of channelling resources and activity in the construction sector and causing that activity to pick up, hopefully to the point where other measures of the Government can now take over. The Minister of Finance made it clear as he was presenting the budget that during the year the medium-term policies would be translated into government policy—we have them not just in this document but in others—and that the appropriate document would be put up for the scrutiny of the national community.

It has been said too that the budget lifts no spirits. I am sure no public servant said that. Many people did not believe that we would have adhered to the commitment given in our manifesto and on the campaign trail, but we have, and we are proud of the fact that we have, because in so doing we have reaffirmed our commitment to adherence to the rule of law. It is the public servants on one hand; it is sugar workers on the other.

What emerges from all of this is the carefully crafted policies of a group of people who form the Government today who have done much homework in Opposition. We were able to put the budget together in three weeks only because much of the work had been done before. There was no way that it could have been done had not the prerequisites been attended to. As the year goes on, and as

a five-year term unfolds—for the benefit of the hon. Leader of the Opposition to entertain—you are going to see, and the national community will experience, the implementation of many plans and programmes that we have carefully put together while we paid our dues, in the political wilderness, to the national community.

I was hoping to hear a contribution from Tobago in this debate, but since the representatives are not here, as the Minister responsible for Tobago, the responsibility falls on my shoulders to speak for the people of Tobago. It is my pleasure to do so. Just briefly, we would make the point very clearly that nobody in the national community has anything to fear from a PNM Government. We are not out to teach anybody a lesson; we are out for only one thing, and that is to govern Trinidad and Tobago to the best of our ability. That is what we were elected to do.

Personal expenditure: CAST requested \$6.8 million, they were allocated \$6.1 million. In respect of the House of Assembly, they requested \$151 million, and they were allocated \$170 million, because we knew what we were going to do in respect of the payment of the two per cent implementation of the court award, which was not known to the House of Assembly at the time they made their request and, therefore, rather than place that as an impediment to the smooth running of operations in Tobago, we factored into the Draft Estimates the appropriate increase that takes into consideration the implementation of the court award. No quarrel or antagonism between this Government and the Tobago House of Assembly.

Total estimates, \$201.3 million in circumstances where the House of Assembly requested \$228.1 million for current expenditure. In the appropriate period for 1991, the request was \$220 million and the allocation was \$180 million. In 1992, the Tobago House of Assembly have done better than they did in 1991.

Capital expenditure: The request in 1991 was \$175 million, the provision was \$9 million. In 1992, the request is \$197 million, the provision is \$58 million, recognizing that many of the major projects that are on-stream in Tobago are likely to come to an end in 1992, therefore the requirement for large financial transfers for the development programme is not there. Just a basic indication, because I could have gone into the details of the development programme. It need not detain us. Suffice it to say that we are keeping faith also with the people of Tobago, and we are operating in a manner to ensure cordiality of relationships between the Government and the House of Assembly.

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It has been a pleasure consulting with the Chairman of the House of Assembly over the last few days, and I look forward to continuing cordial relations and consultations in the months and years ahead.

Finally, Madam Speaker, if I am not to outlive my time allocation in this budget, the major problem facing the country at this time is undoubtedly unemployment. While we were in Opposition a committee was set up under the Minister of Finance, who is the vice-chairman of the party, involving a number of other distinguished citizens to come up with a short-term programme for job creation. Many of the provisions in this document, "Special Report of a Committee to Identify Short-term Measures for Employment Creation" had already been put into the manifesto and therefore will find themselves implementable. But I want, with your indulgence, Madam Speaker, to read from page 5 of this document,

"Within a certain time of coming into office, a symposium spread over two days will be held among Government and the above-mentioned participants..."

These participants are businessmen, union leaders, economic institutions and church and civic leaders and other sections of the national community.

"On the first day of the symposium, Government will attempt to structure discussion by tabling its proposal for dealing with unemployment and the financing of its proposals. Discussion will be invited to improve these proposals and to solicit new proposals.

The symposium would be adjourned for one week to allow full public ventilation and refinement of all proposals to deal with unemployment and its financing.

On the final day of the symposium, proposals for projects and refinancing would be approved as well as measures adopted for assuring accountability".

Madam Speaker, we are committed to this. Therefore, I wish to announce that shortly after Carnival, a national consultation on unemployment or employment generation will be held. It is in recognition of the fact that the unemployment problem is not just a problem of the unemployed; it is a problem for the national community. And because of the size of the task, it requires nothing short of a national effort to make a significant dent in this unemployment problem, and we propose to initiate this national effort by exactly what we said we would utilize: The involvement of as many people as possible in Trinidad and Tobago by

consultation and discussion hoping thereby not just to involve the population, because that is a prerequisite, but also at the same time to benefit from the many views that are available in the national community, views which we have no doubt can contribute in no small way to the alleviation of this unemployment problem.

Madam Speaker, permit me to say that I am extremely pleased with the way this debate has gone. It is the first debate of the fourth Parliament. I hope that hon. Members and the national community accept the sincerity of our cause. I hope that we continue to have the support of the national community. It is important if we are to get out of this difficult situation at the least possible cost and in the shortest possible time. I hope that we can continue to count on the views of sections of the population as we consult them in accordance with our commitments to them. I hope at the end of this five-year term of office, the national community will be in a position to say that, "indeed, not only have they kept faith with their promises to us, but also our standard of living has appreciated appropriately." Thank you.

The Minister of Finance (Hon. Wendell Mottley): Madam Speaker, we are drawing to the end of a momentous debate on the Appropriation Bill, and I have benefited from all of the experience that has poured forth from these Benches over the last several days. I wanted to take the opportunity, first, to try to put in some perspective what has occurred over the last several days, contributions that have come from both sides. But first, let me deal with trying to put the budget back into some perspective.

Yes, the hon. Member for St. Augustine was absolutely correct when he said, as we have stated in the budget speech, that the immediate issue at hand is the stabilization of the economy of Trinidad and Tobago in the interest of all its citizens. We must know, as the hon. Prime Minister has so clearly outlined, that the situation as we have found it needed that stabilization. During the whole course of my budget speech, I attempted to focus the population's attention on the delicacy of the international situation in which we in Trinidad and Tobago find ourselves and of the fragility of our economy. Those were two themes that ran right through the budget presentation.

The hon. Prime Minister along with my colleague, the Member for Diego Martin Central, pointed out and focussed on that fragility. We saw the net foreign reserves of minus US \$17 million. We saw an over-borrowed Central Bank, a Central Bank that had made loans beyond its limits. We met as a result of those two factors, necessarily so, very tight monetary policy, monetary policy that had

been severely tightened, in August of last year, and a further turn of the screw only a few days ago, with all the implications and tightness that that means for the commercial banking system and all of their customers. These are the realities that we are required to paint for the national community.

We saw a situation in which overhanging the whole deficit position of the country was TT \$1.5 billion owed to the public servants and growing every day; a situation which was coming to the attention of our international creditors. A situation which today, in 1992, has come upon us all too quickly—\$2.5 billion in foreign debt to be repaid not over five years, not over 10 years; \$2.5 billion to be repaid overseas this year.

A situation in which, in that \$2.5 billion are different tranches of moneys owed overseas, all of which demand close, individual focus of the Ministry of Finance at this time and some of those tranches come due very shortly, not at the back end of the year, but rather the forward end of the year; and in those tranches bond payments that do not lend themselves at all, I should say, readily, to rescheduling.

That is the situation of the country, and we cannot run away from it. We are not complaining or whining. We are the Government of the day, and we have settled down to the task ahead of us. We are merely signalling to the population at large, this is the wicket on which we bat. It is not a clean Kensington Oval pitch; that is what we have found, but we are batting and we are determined to meet the order of the day.

Madam Speaker, we found a situation, too, in which in 1990, we all enjoyed the benefit of a \$25 oil price on average; 1991, \$22; forecast for this year \$19—because the representative for Oropouche and several others dealt with the oil price. I will come back to that—a situation in which we have pegged ourselves among several people betting as to what it is likely to be. We have betted together with the IMF that it is going to be \$19. But whatever it is, it is \$19 compared to \$22 and \$25 only a few years ago. That is what we are dealing with in Trinidad and Tobago today.

It is no wonder in that situation, that others who had the conceit of superior competence, could go about making largesse with generous tax reliefs and so on. It has been our job to pick up the situation and deal with it. And it is in that context where, after a tremendous revenue effort, we are forecasting revenues in 1992 of over \$112 million short of what they were last year. After this tremendous sacrifice that the population is going to make in 1992.

6.10 p.m.

And, therefore, in that scenario we, in attempting to stabilize the economy, have had, above all, to be fiscally responsible. You are quite right. Members have been able to discern the reality—those who have chosen to be perceptive—that we have a careful course to chart in stabilizing this economy among the stormy international scenes and with the present predicament and fragility of the economy as these revelations here clearly point to.

We have had to be extremely careful of what we signal to that international community, lest we bring down on our heads the worst possible consequences. I think, as responsible Members of this august House, I cannot put it more succinctly. We have to understand that is our predicament. Even as we go about this task of fiscal responsibility, we are rooted, as the hon. Prime Minister has said, to keep faith with the nation and the mandate that they gave us, rooted back to that manifesto, from which we have sprung. And as we have gone about this task of fiscal responsibility, we have attempted to be equitable.

We had to raise revenue. It is one thing that the population of Trinidad and Tobago would understand from this budget and hereinafter in the financial affairs of Trinidad and Tobago—there is no free ride. Up to 1991, we borrowed as much as we could have. Anything that we have got to get or give from hereinafter, we have to pay for—we have to pay for. That is clearly one of the messages that arise from this budget. And so, we have had to pay. And we have, in so doing, set out equitable measures to get the whole population to share the burden. We have raised taxes on alcohol and cigarettes. We have raised fees.

We have diligently sought through consultation with the wider community to bring expertise into the ministry and to look and see where we can raise revenues. Fortunately, we had the benefit of a long period of consultation and discussion long before December 16, and it is as a result of that that we were able, for instance, to identify that many fees had not been raised for 30 years, 40 years even, and we were able to zero in on some of them. And that is why when I perhaps read that there will be 100 per cent increase in this fee, or that fee, for births, or deaths, Members were aghast. But really, the 100 per cent was taking a fee for a birth certificate from \$3.00 to \$6.00—it had not been raised for so long. And this has added to the coffers.

We have had to raise the price of gasoline. Madam Speaker, let me say to the national community that the gasoline price has not been raised by 65 per cent; it is the excise that has been raised by 65 per cent. I want to clearly say that when

you translate that into the cost of transport, the majority cost in running a motor vehicle is not the fuel cost, but the repair and maintenance aspect of running it: the depreciation, the repairs, the maintenance, *etc.* Therefore, when you look at how much this increase in gasoline price is costing, you would find—we have done some studies—that for the average motorist it works out to no more than one cent per mile. But again, we recognize the hardship on the ordinary folk, and for that reason we kept increase in diesel to the minimum—the new maxis, and so forth, are diesel-powered. So that the diesel is at a minimum increase. And for the longer term we have pointed in the direction of CNG.

Because we recognize the importance of the maxi-taxi fleet, we have made additional provisions, since the reading of the budget speech, for further reductions in the motor vehicle tax on maxis. Finally, the Minister of Public Utilities was able to point to new initiatives in the Public Transport Service Corporation to start a skeletal school bus service to serve basic communities in Trinidad and Tobago—again, Madam Speaker, because we are aware of the impact of fuel on the transport system and our clear attempt to minimize the problem and the burden.

The sugar industry is a national problem—and therefore signalling clearly the message of the budget that we have as a national community to assist in sharing the burdens in that industry. And asking the national community to bear that burden starting with the 15 per cent increase in the price of sugar—clearly, again signalling that if one arm of the national community needs assistance, the whole community has to address it; the whole community has to pay. We cannot borrow to deal with an ongoing recurrent problem in the sugar industry. We, as a nation, have to deal with it by dipping into our pockets.

Income Tax: This was the last measure as we were looking at the budget numbers, I will confess, that we touched—and we are being very honest—after everything else, when we required to come up with the right figures on this budget. So, we went and removed the two top bands, leaving the two lower bands untouched in the income tax and moved the five per cent applicable to the chargeable income an additional five per cent at the two top brackets only—again, with equity considerations in mind. At the same time, we moved up the corporate tax rate by five per cent. That is the situation. We said, clearly, in the budget speech that we hope that that would be a temporary measure. We in the Ministry of Finance are targeting the whole revenue situation, and to have it under constant review rather than the extreme attention it gets towards budget time, and we are especially looking at compliance and other matters. Hopefully,

this will yield the kind of moneys that we need and broaden the tax base so that we can come back in line, so to speak, on those two reluctant decisions which we took as far as income tax matters are concerned.

6.20 p.m.

The other side of the fiscal picture. We took the step to increase old age pension and social security payments. We did comply with our manifesto promise to remove VAT from school books and, in so doing, because of administrative convenience, had to extend it wider to cover virtually all books and a wider range of medicines. Prescription drugs are already covered—no VAT. But the ordinary items that people use to cure themselves: the cold medicines, the painkillers, the worm medicines—all of those items, after consultation with the Pharmacy Board we removed those items from being vatable. This was the process that we went through.

We, Madam Speaker, as you know, complied with the law and our manifesto and paid the public servants the court award. Many other matters were touched as we went about this business of being fiscally responsible, and at the same time clearly keeping faith with the people because we recognized that it is no sense being just keepers of accounts books if at the same time the people lose trust in us. We therefore put in that provision in our manifesto about providing assistance for squatters as we go about this accelerated programme of squatter regularization.

We met with university students before the election. We know of their problems and therefore we have put in several million dollars in the budget to refinance loan and grant schemes to UWI students so that they may continue their education. Even in hard times we recognize the priority that must be given to higher education and the assistance we must give our students. We put those sums in to deal with that.

And for the wider workforce, the imperative of training and getting ready for the new world that is out there—a subject to which I will return—and the need to get them trained in industry in-house, in jobs that have a highly marketable quality. That too is in the budget. I will not deal too long with the question of unemployment because the hon. Prime Minister dealt with it at length. At this stage I wish to say two things. Firstly, that the construction industry is targeted as the major thrust for unemployment relief. Subject to further consultations and discussions with the wider community, we have put certain measures in place to stimulate the construction industry. We are also aware, and this is borne out in

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that unemployment study, that the Government must hold the hand of several private investors to usher their construction projects to fruition. The Ministry of Planning and Development is charged with that responsibility, to urgently get those several projects in the pipeline into the dirt immediately. Rather than go out and list projects as is the norm in previous budget speeches we would prefer at the end of the day to be judged by our deeds rather than what we say in words. So the construction industry is clearly signalled as a key area in targeting unemployment.

Finally, on the question of unemployment, the vexed question of LIDP. Many Members on the other side attacked us for reducing the allocation to LIDP in 1991. *[Interruption]* Madam Speaker, I clearly heard what was said. When we told hon. Members that over \$163 million had been spent on LIDP in 1991 and we were targeting only \$90 million in 1992, we were signalling to the national community, in the context of fiscal responsibility, that \$90 million was a sustainable figure; that \$163 was not a sustainable figure, especially compared to the \$50 million or \$60 million that had been previously the norm prior to election year. That is a fact that we wanted to bring to the national community. So, that is the broad brush as far as those items go.

I want to deal, however, with one underlying criticism coming from Opposition Members concerning the fact that the budget—despite the fact that it obviously had to deal with the short-term problems of stabilization and so forth—did not point sufficiently clearly in new directions, nor did it impart hope to the people of Trinidad and Tobago. That has been a criticism that I think the hon. Members have directed at us. There may be some justification in the criticism to the extent that we did not flesh out in great detail all our proposals and new directions. They were there in very tight language in the budget presentation.

We first felt it necessary to signal to the national community here that we are but two small islands in perilous international seas. We wanted to get that understanding across very, very clearly. We pointed out what was going on politically in formerly very huge and powerful states and we were pointing out the serious depressions and so forth with our major trading partners. We also pointed out the re-groupings and re-formations of economic trading communities. We were signalling very, very clearly in the budget speech at page 4:

"When one looks beyond 1992, the trend towards closer economic union is a factor which will considerably influence the shape of the international

market for our products and the decisions of investors as to where to locate new operations. The formation of a North American Free Trade Area..."

We set our new look in the context of the sea in which we have to swim. From that point onwards, we went on to clearly detail that the medium-term strategy we were setting Trinidad and Tobago would be that we would have to have substantial increases in investment and exports from Trinidad and Tobago to survive in the kind of community that we were seeing. At page 12 of the budget speech states:

"As far as exports are concerned, we must push beyond Caricom to the admittedly difficult markets of North America, Latin America and Europe."

At page 13 it states:

"Success in this activity must be a national priority, hence it is necessary for the Government to support our exporters with a full range of technical assistance...."

In order to ensure an acceptable level of investment, we must in the first instance, raise the level of domestic savings in both the public and private sectors... Moreover, in today's increasingly complex global economy, foreign investment should be especially encouraged....

This year, the Government intends to undertake a comprehensive review of the various laws..."

6.30 p.m.

Madam Speaker, small size: Unlike what was implied by the hon. Member for Couva North, when we face the big blocs north of us, we cannot bluster; we cannot threaten. Those are the facts of life. Of course, there was a movie once where, perhaps, we might go to war and we might lose and then benefits might flow. But that is all in jest. The facts of life are, we cannot bluster.

It has been set out that there be investment sector loans with the IDB, which is the agency approved by the US government to undertake this form of policy loans for this hemisphere. That is the first step as you go through the eye of the needle toward the goal of getting our inflows of foreign investment and our access to the markets on which Trinidad and Tobago ultimately will be able to have sustainable high-paid jobs, which is the long-term goal. After we have finished all the short-term, looking at unemployment and job creation, the long-term goal, as we have set out here in this budget speech, is that we have to go through the eye of the needle, which is pointing in that direction, that we have to have these policy loans which will address several areas that have to be addressed first, if we are even to

get on the agenda of having investment flows this way and accessing the markets that way. The US government has outlined that the IDB is the agency through which these policy loans will be addressed. Many details will be addressed. I do not want to get into them here at this stage, but they are macro-economic policies, trade regimes, infrastructure, and so forth.

After you have addressed those policy matters, you get access to the multilateral investment fund for which grants may be available for retraining of workers, capital market development, as Trinidad and Tobago begins to gear itself to come out of the sheltered cocoon. We, the People's National Movement, more than any other party, created the infrastructure by which we became industrialized, and we learnt the process of manufacturing and growth—that was what we did—and now we are signalling to the national community that we must now take that next step onwards, because this is what is demanded of us. We stay here and stagnate in a market of one million people, as we now see the situation that exists with our Caricom neighbours, the problems that there are and the incapacity, therefore, of our manufacturers to subsist on those markets any more.

We are like the egg, given there for nurturing, as a new life is formed. But ultimately—and that is upon us now—we have to break out of the egg and subsist in the hurly-burly of the wider international community. That is the direction in which Government has to carry our people of Trinidad and Tobago.

So we have to go about the business of retraining workers, widening our capital markets and strengthening our institutions. That is the business of all these policy loans. After this, and only after this process, do we then qualify to enter trade negotiations and access hemispheric advantages, free access to the US and other markets for our exports. That is the course that is laid down for us. Those are the facts.

This is what we pointed to with very economic language in the budget speech, when on page 20 I said:

"However, I wish to inform Hon. Members that, in keeping with our medium-term economic strategy which I outlined earlier in this statement, the Government intends to begin discussions shortly with the IDB on the scope of a fast-disbursing loan related to reform of policies and practices which may be functioning as major disincentives to investment—both domestic and foreign. This operation, which will fall within the Enterprise for the Americas Initiative (EAI), not only holds out the prospect of immediate balance of payments support, but will also make us eligible to tap grants from the new

Multilateral Investment Fund (MIF) to be administered by the IDB. The resources of the MIF will be available for purposes such as worker re-training and capital market development."

So that is the general thrust and direction that we have set ourselves. Of course, we have to prepare strategic business plans for the country. We have already started consultations; various line ministries will carry that. That is the direction from which we are setting out. In this budget speech we can but paint the broad picture. The details, even in the course of this debate, have started to fill in. Over the next several months you will see the general drift in direction that we will be carrying Trinidad and Tobago, to make sure that we are not left behind, marooned on some desert island, but carrying the hope and the prospect of being integrated into the world international economy, not left behind, unhitched, like so many other countries, with dire consequences for the standard of living of all of their people and the ultimate stability of the political systems. So that is a general direction.

If I could quickly turn to some of the other matters. I have here the *Hansard* record. I welcomed in that direction, the statement by the hon. Leader of the Opposition, that he, too, saw that we should seek a treaty with the United States of America for the free movement of labour, capital and goods, *etc.* But the course is prescribed.

There were several other matters in the hon. Member for Couva North's contribution. He said: "The most significant omission in the budget is the fact that it fails to make mention of the expenditure side of the proposals, either on the recurrent revenue or the capital account."

I was puzzled by that statement. We tabled—true, a little late this year, but nevertheless there were tabled—a number of documents, revenue and expenditure. All of these items are detailed. I do not know if the hon. Member wants me to fall into the trap of going on television and boring the national community by reciting, "bridge No., B7, bridge No. 56, culvert No. 45, *etc.*"

Mr. B. Panday: If you are going to read it, read the whole of what I said.

Hon. W. Mottley: That is what I am saying. I will not fall into the trap of reading into the budget speech, televised nationally, all the details of capital expenditure and recurrent expenditure, virements and all the civil services and so forth.

So if I could go on to another contribution, that of my friend opposite, the Member for Oropouche. He said that we had talked about diversification of steel and petrochemical industries, but that was “ole” talk, he had implied. But that is not the truth. Certainly, in petrochemicals we are already a very large world player in the ammonia market, and downstream of ammonia is urea. Right now, as a real possibility, there is MTBE which is further downstream. So I would not agree that all of this is “ole” talk.

In the steel industry, with which I am quite familiar, downstream of ISPAT's wire rod are two plants producing steel rebar for the construction industry, and marketing that right through North America, Puerto Rico and wherever else. In addition, downstream of steel is welded fabric made here; there are nails made here and a variety of other new products: welding rods and so forth, which have real possibility right now. So, again, downstream of steel, there exist a number of industries either real right now, or quite close potential. So, it is not true to say that—

6.40 p.m.

Mr. Sudama: Would the hon. Minister give way to a question? Now that this steel company has been leased to a foreign multinational, has there been any agreement, as far as he is aware, for that steel company either to engage directly or to facilitate downstream industries?

Hon. W. Mottley: Right now we propose to have consultations on that. It is very, very vital to our interest that the steps and gains that we have already made not be prejudiced.

The hon. Member for Oropouche, again said that he had some problems with our numbers. He said that he was a little non-plussed about several items of expenditure, *etc.* Well, I have had trouble following his own numbers and therefore just to set the records straight—incidentally, it seems as though I have to set the record straight on the numbers not only for the Member for Oropouche but also for certain other people in accounting firms who, I thought, would have known better.

Our numbers, I reiterate, stand scrutiny. The numbers that are published with the budget speech bear absolute scrutiny and we are certainly not proposing to go out and borrow the vast sums of money that I have heard certain—I should have thought otherwise—reputable commentators, who are supposed to be experts in finance, suggesting.

To reiterate, very, very forcefully, that we have an overall deficit of million \$332.3 and our gross borrowings are \$812 million, that is foreign; repayments, \$868 million,. Therefore there is going to be a net outflow of over \$55 million. That is on the foreign side. Certainly, on the domestic side we are not borrowing net more that \$387 million in 1992, projected. So, I do not know where they got all these figures from, but I have consulted, again, with the technicians in the ministry and we stand firm by these numbers.

Mr. Sudama: I really hate to interrupt the Minister of Finance in his contribution, but could he tell us, from the basis of his original figures, why is he now reducing his development programme expenditure total by \$546,125,000? I was working on the basis of his original presentation. So, if he comes at the last minute to reduce this figure, to set his books in order, he cannot expect me to know this in advance.

Mr. Mottley: Madam Speaker, that was clearly stated in the budget speech. That number that the hon. Member has just mentioned is a flow-through transaction related to the loan to Trintoc which is banked in the Central Bank and is loaned on to the companies and, therefore, we just remove it from the expenditure side—and it was signalled before it. It is not new information that is coming to the House. That was clearly signalled.

The hon. Member for Caroni East complained about NAMDEVCO. Even while he was making that complaint, Minister Draper was having a meeting on that matter, trying to straighten out those problems. So, we recognize the problem, and we are on top of it.

The hon. Member for Siparia mentioned the problem of unspent balances and the change in the fiscal year. We are being advised on these matters. We have county council experience too, we know the difficulties, but we have to weigh both sides and we are trying to come to a decision on that matter. We are looking at that at the ministry right now.

The hon. Member for Nariva, strange to say, was at variance with other Members of his side, in complaining about the move to free-up the importation of cars. It seems as though he was concerned about the need to protect the existing manufacturers of cars. I do not know how much conversation goes on among Members on that side but I should like, at a later stage, clarification on the position in that regard.

In all, the hon. Member for Couva North implied that he was going to criticize the budget, on PNM terms, in the way in which it was structured. Then he

implied that he was going to take a different perspective and look at the budget in a new light and try to point Trinidad and Tobago in new directions.

I, in all honesty, was excited by that possibility that he would “point in new directions”, and I waited, and I waited. When he was finished, I knew that, perhaps, his financial shadow might have been more forthcoming, and it is then I really became alarmed that our position—after all the pains we took in explaining the country's position, a position which I have repositioned today; the hon. Member for Oropouche stated that our position on the fiscal situation in this country is that we must concentrate on expanding production, creating more employment. In effect, if we did that we would have an expanding and more lucrative tax base, and from a more lucrative and expanded tax base, we are going to get additional revenues; and with that perspective we will approach the problems of fiscal inadequacies on the revenue side.

Madam Speaker, in the context of the worrying position of Trinidad and Tobago this is a statement that might have been otherwise understood and excused but in the context of where we are today, that could only be a prescription for what happened in Libya and Peru where similar measures were tried leading to 3,000 per cent inflation and collapse. Not that we would ever get there, because we would immediately feel the break of foreign exchange—

6.50 p.m.

Mr. Humphrey: Madam Speaker, I just want to ask the Minister of Finance whether he is comparing Trinidad and Tobago's circumstances today with those of Latin America and Third World economies; and whether those economies had surplus capital, labour, skills, raw material. Generally speaking, surplus capacity. I know what the answer is. They did not have it.

Hon. W. Mottley: Madam Speaker, I understand the proposition put forth by the hon. Member for St. Augustine, but unfortunately, in this country we are a small, open economy and the problem is that immediately, as happened in the latter half of 1991, running up to an election and in a period in which I believe the then government was trying to impress that there was forward movement in the economy and was trying therefore to fan growth and so forth—very clearly in the circumstances in which we found ourselves rapidly running out of foreign exchange, that is the constraining factor. Therefore, we have a problem that we shall have to address but, the technical answers to so do will have to be very carefully worked out. It is almost—if I may look at the hon. Prime Minister—as

delicate a subject in economics as in sociology with race relations. If you make mistakes you pay the price from which we may not recover.

Madam Speaker, in all the circumstances, I think I have covered most of the points raised. I think I heard the hon. Member for Couva South speaking about the fact that the subsidiary aim of the budget should be to balance the figures; the primary aim is to deliver assistance to people. It is on that note that I wish to end in saying that we have, despite the really constraining circumstances such as we have outlined, still been able to deliver on human development. There was justice for public servants, there was justice for cane farmers, justice for the unemployed and justice for the aged. Madam Speaker, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill and Estimates to be considered in committee.

6.57 p.m.: *Sitting suspended.*

7.10 p.m.: *Sitting resumed.*

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

Motion made and question proposed, That the House do now adjourn to Friday, January 31, 1992 at 1.30 p.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.20 p.m.