

HOUSE OF REPRESENTATIVES*Wednesday, November 25, 1992*

The House met at 10.10 a.m.

PRAYERS[MADAM SPEAKER *in the Chair*]**ORAL ANSWERS TO QUESTIONS**

The following questions stood on the Order Paper in the name of Mr. R. Maharaj (Couva South):

**Old Age Pension Act
(Amendment of)**

- 48.** (a) Does the Government intend to amend the Old Age Pension Act, Chap. 32:02 and its subsidiary legislation to increase the eligibility of persons to qualify for the receipt of state pensions under the said laws?
- (b) If it does, please give particulars of the measure or measures it intend to introduce?

**Retired Judges
(Appointment of)**

- 49.** (a) Would the Attorney General and Minister of Legal Affairs give the names of the retired judges (giving the period of their appointments) who were appointed by the President under the Constitution (Amdt.) Act 1988, Act No. 2 of 1988 to perform the functions of temporary judges under section 2(2) 11 of the said Act?
- (b) Would the Minister state the names of the judges who have attained the age of 65 years since the passing of Act No. 2 of 1988 on February 12, 1988?
- (c) Would the Minister state whether there exists or existed any criteria or guidelines which would qualify a retired judge for selection as a temporary judge under section 2(2) 11 of the said Act? If there exists or existed any criteria or guidelines, please give particulars of same.

Telephone Tapping

- 50.** (a) Would the Minister of National Security state whether the Government of Trinidad and Tobago and/or any of its state-owned and/or controlled authorities in Trinidad and Tobago authorizes, causes or facilitates the tapping in Trinidad and Tobago of private telephone conversations of individuals?
- (b) If the answer is in the affirmative, would the Minister state under what law and/or other authority such action is permitted?

The following questions stood on the Order Paper in the name of Mr. S. Hosein (Siparia):

**Siparia Constituency
(Water Supply)**

- 53.** (a) Is the Minister of Public Utilities aware that residents of Siparia constituency are experiencing severe hardships because of the lack of an adequate water supply?
- (b) Can the Minister indicate what steps are being taken by WASA to resolve this crisis?

**Penal Rock Road
(Repairs to)**

- 55.** Will the Minister of Works and Transport indicate to this House when his Ministry intends to effect repairs to the Penal Rock Road between the 5 mm and 8 mm?

The following question stood on the Order Paper in the name of Mr. B. Panday (Couva North):

Criminal Appeals

- 56.** (a) Could the Attorney General and Minister of Legal Affairs kindly state the number of appeals from the Criminal Assizes to the Court of Appeal of Trinidad and Tobago for the past five (5) years, on a yearly basis?
- (b) How many of those appeals were dismissed?
- (c) How many were allowed?
- (d) Of those allowed, how many retrials were ordered by the Court of Appeal?

- (e) How many judicial days did these matters occupy in the Court of First Instance and in the Appellate Court?

The following questions stood on the Order Paper in the name of Mr. M. Haniff (Princes Town):

Truck-borne Water

- 57.** Would the Minister of Public Utilities state:
- (a) How much funds have been utilized on transportation of truck-borne water by WASA and the respective local Government bodies for the years 1990, 1991 and 1992 to date?
 - (b) What plans are in place to improve the pipe-borne water supply in order to reduce the expenses incurred by truck-borne water?

Watts Road Agricultural Project

- 58.** Would the Minister of Works and Transport state:
- (a) How much funds have been expended on the Watts Road LIDP agricultural project to date?
 - (b) How much revenue has been generated to date from this project?
 - (c) What is the status of the project to date?
 - (d) Whether Government intends to continue with this project?

Princes Town Constituency (Road Improvement)

- 59.** Would the Minister of Works and Transport state what steps, if any, are being taken to improve the surface of the following roads in the constituency of Princes Town:
1. Unis Road;
 2. Robertson Road;
 3. Realize Road;
 4. Sisters Road;

5. Lengua Road;
6. Stafford Road; and
7. North Road?

The following questions stood on the Order Paper in the name of Mr. T. Sudama (Oropouche):

**Debe Post Office
(Expenditure)**

- 60.** Could the Minister of Public Utilities state:
- (a) The total expenditure to date on the Debe Post Office?
 - (b) The labour component of total expenditure?
 - (c) The amount spent on watchmen of the total expenditure on labour?
 - (d) The period of construction and the number of man-hours worked on this project?
 - (e) Which agency is responsible for the construction?

Rienzi-Kirton Highway

- 61.** Could the Minister of Works and Transport state:
- (a) Whether he is aware of the traffic hazard and serious accidents caused by the detour at the end of the Rienzi-Kirton Highway in San Fernando?
 - (b) Whether his Ministry intends to complete this roadway according to the original design?

**Oropouche Constituency
(Visit to)**

- 62.** Could the Minister of Housing and Settlement state why he does not respond to my request for him to accompany me on a visit to NHA housing lot development sites in the constituency of Oropouche to look at problems which have emerged?

The following questions stood on the Order Paper in the name of Mr. R. Palackdharrysingh (Caroni Central):

Caparo River

- 63.** (a) Would the Minister of Works and Transport state what is the status of the Caparo River flooding feasibility study?
- (b) If the study is not yet completed, when would it be?
- (c) If it is completed, would its recommendations be implemented and, if so, when?
- (d) Would the Minister state whether he is aware that the houses of Harripersad Rama, Chandradath Rama and Kowsil Latchman of Caparo Street, Montrose, Chaguanas, are threatened by the flooding of the Caparo River?
- (e) Is the Minister also aware that rapid erosion along the banks of the Caparo River in the Montrose area is taking place?
- (f) If the answers are in the negative, would the Minister state whether he is going to investigate the problems and how soon?

Freeport Mission Road

- 64.** (a) Would the Minister of Works and Transport state the last time the Freeport Mission Road from the Freeport Flyover to the Preysal Junction at Lower Couva Road was resurfaced?
- (b) Is the Minister aware of the deplorable condition of the road?
- (c) If the answer to (b) is in the affirmative, when would these plans be implemented?

**Farmers' Occupancy
(Carlsen Field)**

- 65.** (a) Would the Minister of Agriculture, Land and Marine Resources state whether he is aware that some farmers have been occupying state lands at Carlsen Field in the vicinity of Yoruba Road and Xeres Road for more than twenty years?
- (b) Is the Minister also aware that the said lands were surveyed for regularization in 1986?

- (c) If the answer to (b) is in the affirmative, would the Minister state why the said lands have not been leased to the farmers?
- (d) Would the Minister state what steps he intends to take to regularize the occupancy of farmers on the said lands?

The following questions stood on the Order Paper in the name of Mr. K. Jurai (Nariva):

**Sangre Grande Police Station
(Rebuilding of)**

- 66.** In the light of the statement made by the Honourable Minister of National Security in Parliament on Friday, October 16, 1992, "That he has funds available for rebuilding the Sangre Grande Police Station but he cannot find a suitable site, would the Minister state the following:-
- (a) Whether the existing site is unsuitable for rebuilding the said police station?
 - (b) If the said site is not suitable would he give reasons as to why it is not a proper site?
 - (c) Whether he has plans for renting any private premises for housing the police station whilst rebuilding is taking place?
 - (d) If the answer to (c) is in the affirmative, would the Minister state what would be the length of the rent contractual period and what would be the rent per month?
 - (e) Whether any cost would be incurred in the preparation of any private property for housing the temporary police station. If the answer is in the affirmative, what would be taking place in order to save cost?
 - (f) Whether he has considered erecting a pre-fab building whilst construction of the new police station would be taking place in order to save cost?

**Road Resurfacing
(Nariva)**

67. Would the Minister of Transport and Communication indicate what steps he is taking to obtain the necessary budgetary allocations for effecting repairs and resurfacing of the following roads in the Nariva constituency during the financial year, 1993:-
- (a) Sangre Grande to Biche;
 - (b) Sangre Grande to Guaico/Tamana;
 - (c) Sangre Grande to Four Roads/Tamana;
 - (d) Sangre Grande to Cunaripo/Bon Air/Coryal;
 - (e) Sangre Grande to Little Caura Road/Cunaripo/Guatapajaro;
 - (f) Sangre Grande to Manzanilla/Mayaro;
 - (g) Sangre Grande to Rio Claro;
 - (h) Sangre Grande to Plum Mitan;
 - (i) Rio Claro to Tabaquite; and
 - (j) Rio Claro to Mayaro?

**Farmers' Problems
(Penal)**

68. *The following question stood on the Order Paper in the name of Mr. S. Hosein (Siparia):*

Will the Minister of Agriculture, Land and Marine Resources indicate to this House what is his Ministry doing to alleviate the problems of the farmers of Seebalack Trace, Rochard Road, Penal? Those problems having been outlined to him in letters dated July 22, 1992 and October 14, 1992.

The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley): Madam Speaker, I ask that the answers to the above questions be deferred until tomorrow.

Madam Speaker: The answers to the above questions will be deferred until tomorrow's sitting.

Questions, by leave, deferred.

**APPROPRIATION BILL
(BUDGET)**

[SECOND DAY]

Order read for resuming adjourned debate on question [November 20, 1992]:

That the bill be now read a second time.

Question again proposed.

Mr. Basdeo Panday (*Couva North*): Madam Speaker, this budget speech has been for me, one of the most exciting that I have ever heard for a very long time. Rarely have I ever been filled with so much anticipation.

As the hon. Minister of Finance drew closer and closer to the end of his 58-paged, two-hour long budget speech, I got nearer and nearer to the edge of my seat. I kept saying to myself, Here it comes. He has got to drop it on us now. He cannot with all that was going on outside the House conclude without stating categorically, what the Government is going to do about the critical issues in the country, especially unemployment, crime, poverty, destitution, collapsing businesses and rising prices. I was wrong.

When much to my surprise he did in fact close his folder shut, without holding out so much as a glimmer of hope for the unemployed and under-employed, my first reaction was to stand up and shout at the top of my voice, to all who voted for the PNM, "It good for you. I told you so, but you would not listen."

Madam Speaker, I am a compassionate man and compassion would not let me do it. It is said that people get the government they deserve, but that is not so. They may get the government they want, but nobody deserves this. It does not matter how wicked a people may be, no one deserves this PNM regime under Prime Minister Patrick Manning.

The Minister of Finance describes this budget as the passage from stabilization to growth. A more apt description would have been, from stabilization to stagnation, or better still, how to go backwards without trying. My own label for it is, more of the same with a little less shame. It is very interesting to note that the

Minister chose to begin his budget presentation with a defence of the system of executive accountability.

It would appear that the Government is worried and concerned with the persistent struggle of the Opposition for reform of the Parliament, so as to make the Government more responsible and accountable to the elected representatives of the people, in the first instance, and eventually to the electorate.

10.20 a.m.

The Minister's opening salvo was but a hollow attempt to justify the present system of accountability—a system that allowed the dying NAR regime, without the knowledge and consent of the Parliament, to transfer some millions of dollars allocated by this House for health, welfare and infrastructure, into wasteful LIDP projects, merely for the purpose of buying votes in the 1991 general elections. This PNM regime defends that system. Surely it must be because it intends to do likewise—more of the same with a little less shame.

To describe the occasion of the annual budget statement as the premium statement of public accountability, as the Minister does in his opening paragraph, is either to be totally ignorant of what is taking place in the parliaments of the civilized and democratic world, or it is a desperate attempt to smother all efforts for parliamentary reform. On many occasions during my 16 years of budget debates in this House I have made the observation that, insofar as Government's accountability is concerned, these debates are but an exercise in futility—an exercise full of sound and fury, signifying nothing.

Let us for a brief moment examine what is taking place here now. The Government has come to this House with proposals of how much money it is going to spend for the next year and how it is going to raise that money. It makes allocations to various ministries and says in the most general and ambiguous terms what each Ministry is going to do. That, by itself, does not mean a thing. The ministry can do nothing until the funds are released. Allocation is one thing, release is another. After we debate and pass this budget, the system allows the Government to do what it wants with it and the people and the Parliament will never know until long after the event. The Government can ignore the allocations made by this House and spend the nation's revenues on what they think will keep them in power. That is exactly what the NAR did in 1991 and nobody paid but the people.

Nothing we of the Opposition say or do in this debate will change one inch, one line or one comma. The PNM Members of the House will follow like sheep and speak like parrots in support of the measures. The budget will be passed by a majority of 21 to 13, with two abstentions, and then this House, and by extension the people, will have lost all effective control over Government spending of the taxpayers' money. The corrupt and ill-intentioned like it so, but let me assure this House and the electorate that we shall continue to fight for reform of the parliamentary system that makes for meaningful accountability and responsibility of the Government to Parliament and the people. We shall not flinch from our demand for the setting up of a select committee of this House, as a first step, to monitor, on a continuing basis, the activities of the Government between budgets.

In spite of what the Minister says on page 1, the budget presentation is no substitute for a system of accountability. We are fortified in this view by the Minister himself, who at page 19 admits:

"Perhaps too much emphasis tends to be placed on the national budget. The annual budget is but the operational means of implementing specific policy measures, but its focus is necessarily on the short term, that is, the fiscal year."

Having said that, he defends the present system of oversight and scrutiny as adequate to ensure the accountability of the Government. What is the system that he so stoutly defends? The first is Question Time. I want the public to know that in order to ask a Minister a question in this House, our archaic and outdated Standing Orders say you must give the Minister 21 days' notice. Twenty-one days after you give the Clerk notice of your intention to ask the Minister a question, that question appears on the Order Paper. By that time the answer is no longer of importance, nor does the question have the intended impact. Even then, you are not allowed to ask your question so that people can know what you ask. You must refer to it by a number so that what the public hears is the Minister's reply to a question they did not hear.

Even under these outmoded conditions, Ministers refuse to answer questions. During the last session of Parliament, this bunch of incompetent PNM Ministers failed and/or refused to answer more than 50 per cent of the questions asked by the Opposition. The Minister thinks this is adequate. There is no question time in this House as obtains in other civilized Parliaments when Members can ask impromptu questions of the Prime Minister.

The second mechanism he talks about is accountability, which he refers to at page 2 of his budget speech, is the annual audit of the Auditor General. For the uninitiated, let me tell you that all the Auditor General does is to ensure that the financial regulations have been complied with in the spending of public funds. That is to say, he looks to see whether there is a voucher for the particular expenditure and whether a shovel has been stolen from the Ministry of Works or a typewriter from the Ministry of National Security.

This in no way is meant to downgrade or demean the importance of the work of the Auditor General. The simple fact is that the Auditor General cannot and does not do an efficiency audit of the activities of the Government. If a bridge that should cost \$100,000 is built for \$1 million, that is not a matter of concern for the Auditor General, just so long as there are signed vouchers for the expenditure. I know, because I have been the Chairman of the Public Accounts Committee for many years. The Auditor General does not deal with corruption, hence the Tesoro Affair, the O'Halloran Scandal, the Caroni Racing Complex fiasco: all passed that Department unnoticed.

The Public Accounts Committee is hardly more than a farce insofar as ensuring meaningful accountability of the Government is concerned. It does not have the manpower nor the legal authority to demand documents, to enforce the attendance of witnesses, nor to carry out efficiency audits, and it cannot delve into the actions of the Government. This is so even after one Member of the Opposition several years ago sat on the steps of the Hall of Justice for 40 days in protest over the powerlessness of the Public Accounts Committee. Needless to say, when he got into government he forgot all about that.

I have spent some time on this question of accountability because we on this side are convinced that corruption and maladministration are among the most severe constraints to our economic development. Our research has revealed that with the elimination of corruption, maladministration and waste in the public sector, the cost of government and administration of this country can be reduced by 25 per cent. In a budget of \$6.899 billion that is a savings of over \$1.5 billion, a factor that could result in the easing of the tax burden both on businessmen and individuals, so leaving more resources for savings, investment and development.

I predict that if we do not do something about our parliamentary system, in general, and the question of accountability, in particular—and do it fast—at the end of the present regime, the Caroni Racing Complex scandal and the Tesoro

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Affair will smell like roses when compared with the stink that will emanate from the Piarco Airport Development Project and the sale of our state-owned enterprises.

I urge the Government to move speedily to establish a system to ensure genuine accountability, lest their continued resistance to change be interpreted as an intention to continue in the wake of O'Halloran, Prevatt, Trintoplan and other PNM stalwarts, past and present.

It is a pity that Minister Mottley thought it necessary to devote so much time and energy to an analysis of the international economy. We seem totally helpless in extricating ourselves from the pattern of presenting the budget set by the late Dr. Eric Williams, who thought that we deserved a lecture in history and international relations at least once a year and the occasion of the budget presentation was the best time to inflict it upon a captive audience. I am sure that Dr. Morgan Job, if no one else, will agree with me that this egotistic practice by the late Doctor has had the effect of skewing our thinking when it came to finding solutions to our own economic and social problems.

The over-focus on the international scene, more often than not, done as a deliberate attempt to avoid focus on failures of the Government at home, has the effect of stirring us in the direction where we are always looking externally for solutions to our internal problem. We have done that for so long that we have lost the capacity and the self-confidence to look inward for sources and solutions to our economic problems. The answer to our problems may well lie in taking a more serious and realistic look at ourselves, examining honestly our strengths and weaknesses as a small developing country, seeking ways of exploiting our advantages and minimizing our disadvantages of size, instead of forever carping about the international scene and blaming our failures on others.

Is Singapore not a small country with a population of some two million people, living on land space of less than 1,000 square miles, with no natural resources? So, too, are Taiwan, Mauritius, Hong Kong and Aruba. How could these countries have been able to prosper despite the slow down of the international economy? These are countries that do not possess one-tenth of the resources that we do, yet they are prosperous, while we the people of Trinidad and Tobago, with oil, sugar, asphalt and marine resources are poor. What is the difference between us and them?

Madam Speaker, they have one thing that we do not have. They are blessed with leaders who have vision and commitment, while we are saddled with a bunch of corrupt incompetents whose only concern is how to stay in office so that they may pilfer the public purse. What may be even more important is that those countries have a population that chooses their leaders, not on the basis of race or some such irrelevance, but on issues that affect their daily lives. Let it be known that as a people you cannot degenerate to that level without paying for it. In a democracy, people are always responsible for the leaders that they have in power. If they are suffering because of the neglect of that Government, then the people are the authors of their own misery.

10.30 a.m.

Let us take one of the many statements the Minister has made, putting the blame for our failure on the international economy. At page 5, he says, and I quote:

"I think that it is easy to appreciate that if the major international economies are in recession, it becomes even more difficult to boost our exports and enhance our own prospects for growth."

What exports? Computers, plant and machinery, high tech consumer durables, assembled motor cars or reconstituted milk and orange juice from imported powders; what do they wish to export that they cannot export? What are they producing with sustained periodicity, in sufficiently large quantities at competitive prices and of high quality that you want to export and you cannot? The answer is, precious little.

The international recession, therefore, is not the real problem for us, as it may be for other large nations producing huge quantities of goods. When at page 6 the Minister says that as a result of the international slow down there was a contraction in the pool of global savings and this had adverse consequences for the flow of capital to developing countries, like Trinidad and Tobago, and that he hopes that the anticipated recovery will lead to increased financial flows, what he is saying is that we can only develop by begging and/or borrowing and by reliance on foreign aid.

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No attempt is made in this budget to examine the possibility of internally propelled growth. By concentrating focus on the international scene and looking at the problems apart from the solutions proposed for countries such as the United States, Japan, Germany and the European states, the Minister seems unconsciously to slip into that mode of large sophisticated economies and concludes that we must apply the same prescription for our area. He forgets that they are big and we are small and both our problems and solutions may be different from theirs.

The Minister is treading on dangerous ground when he says at page 6 and I quote again:

"The imperatives of adjustment have seen many developing countries attempt to reduce their macro economic imbalances through improvement in domestic capacity, fiscal consolidation, strengthening their external competitiveness and structural reforms. We also, are similarly engaged in such a process and hope to reap the benefits afforded by such measures."

But we are not them; they are not us. We must recognize and appreciate our uniqueness and devise policies to suit our own needs.

Insofar as Trinidad and Tobago is concerned, what goods specifically does the Minister have in mind when he speaks of improving the domestic capacity and strengthening our external competitiveness? We are not Brazil, producing more than half the world's supply of coffee; or Ghana, producing most of the world's consumption of cocoa; or Japan, with its cars, computers and other high tech consumer durables.

We are Trinidad and Tobago, 1.2 million people living on less than 2,000 square miles of land, surrounded by rich seas and a land blessed with reserves of petroleum and gas. That is the Trinidad and Tobago we must look at when we set our goals and devise our strategies and tactics for getting there.

After 30 years of independence as a nation, we have not yet agreed on our national goals. We are still a nation tugging at itself and pulling in different directions. If we have not yet agreed on our destination, how can we chart a course for our journey? Unless we are prepared to tackle these fundamental socio-political issues, the budget exercise will, year after year, sound like a stuck gramophone record.

I think it will be safe to say that there has not been a single budget speech since 1972, including this one, that has not bemoaned our independence on the

monoculture of oil and that has advocated proposed diversification of our economy. Everyone.

Why have successive governments, then, consistently failed to diversify the economy? Could it be that the Government has deliberately frustrated, for example, diversification into agriculture and fishing because they believed that a certain group in society will benefit from diversification?

One of these days, the powers that be will come to recognize that our economic problems are the direct consequences of our socio-political problems to a much greater degree than the international economic scene.

Even when the Minister realizes that the most important international economic development, insofar as we in Trinidad and Tobago are concerned, is the emergence of NAFTA, a super trading bloc right on our doorstep, he abandons the subject as casually as he embraced it. I quote the Minister at page 7:

"Closer to home, the United States, Canada and Mexico recently concluded negotiations on the North American Free Trade Agreement (NAFTA), which should be ratified by their legislatures very shortly. This is an important initiative, with implications for trade and investment in this hemisphere of which we are an integral part."

That being the case, what does the Minister say we are going to do about NAFTA? Nothing. Are we going to seek entry into NAFTA, with or without our Caricom partners? If yes, how soon? If no, what alternatives do we have for dealing with NAFTA? Not a word from the learned Minister.

In reviewing the domestic economy, Madam Speaker, for the period 1992, the Minister was less than straightforward with this House. I think he is worth quoting at page 9, I quote:

"Our gross foreign exchange reserves declined from US \$607.9 million at the end of June, 1991 to US \$427 million at the year's end."

Now, we must remember that was the time when the Manning regime assumed power. The quote goes on:

"Outflows accelerated in January, amidst speculation surrounding the 1992 budget, especially with respect to rumours about possible measures on the exchange rate. As a result, Madam Speaker, gross revenues fell further, to US \$306 million at the end of January, 1992, hardly an auspicious start to the budget year."

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But let us not forget, Madam Speaker that the rapid flight of foreign exchange during that period was the result of a stupid and reckless statement by the new Prime Minister that he was thinking of floating the Trinidad and Tobago dollar. That was not merely an inauspicious start, it was an act of gross incompetence that resulted in the loss of over \$200 million on the foreign exchange account by the end of February, 1992.

I recall during the debate on the 1992 budget of this House, I pleaded with the Prime Minister to clear the air on this matter and so stem the haemorrhage that was taking place at the time. But pompous arrogance would not permit him to mitigate the effects of his ineptitude. Even as I speak, the nation continues to suffer because of the ineptitude, incompetence and arrogance of the Prime Minister and his Cabinet. Madam Speaker, look at the manner in which the vendors and the unemployed are being treated.

As a result of the Prime Minister's indiscretion at the beginning of his term, the Central Bank was forced to tighten its monetary policy, which resulted in the tightening of liquidity, together with a rise in interest rates which, in turn, had the effect of dampening investments and increasing unemployment. Bravo, Sir Patrick, bravo.

After one year in office, the new PNM Government is happy to report as follows. I quote from page 10:

"The economic decline continued into 1992, with economic activity falling by 1.0 per cent in the first half of 1992, relative to the first half of 1991."

That is their boast.

In other words, they did the impossible. The PNM's performance was worse than that of the Robinson regime in 1991, but is there hope for improvement? The Minister admits, and I quote:

"Preliminary forecasts suggest that for 1992 as a whole, the economy is likely to show minimal growth of approximately 0.2 per cent."

Is that the growth that the Minister is talking about when he designates this budget as "the passage from stabilization to growth"?

Even with the limited objectives of the 1992 budget, the Minister admits the Government failed. Note his remarks at page 14:

"The main factors which determined the size of the 1992 budget were the level of affordable deficit financing and the need to continue the process of consolidating the country's financing. We had hoped to achieve a very modest build-up of net foreign exchange reserves, assuming a certain level of capital inflows. This will not in fact materialise, since capital inflows from multilateral sources in relation to ongoing programmes have been slow, reflecting the slow pace of project implementation."

Does this country realize what the Minister said there? He is saying that there were millions of dollars sitting abroad, waiting for us to collect it, but the Government could not collect, because they could not implement the project for which such moneys were allocated. Can you believe it?

While thousands of our citizens are scrounging for jobs, while the Government says it is trying to attract investments so as to create jobs, they have millions of dollars sitting out there and the Government cannot collect because of gross negligence and acute incompetence.

If in a private business your managers acted in that way, you would fire them, but under a PNM controlled regime, they give themselves a 33 per cent increase in pay.

I understand that the Prime Minister's house in San Fernando is up for sale. I advise him not to sell it, he may need it sooner than he thinks.

In the budget speech, there is no analysis of why the Government failed to implement the several projects. The Minister simply says, and I quote again:

"In this regard, Madam Speaker, the Ministry of Planning and Development has been working assiduously this year on improving project implementation capacity in the line ministries."

That is it. No reasons given for such colossal failures. But I shall tell you why they failed: They failed because instead of doing the people's business, in 1991, they were busy replacing the NAR party hacks with their own party hacks following upon the victory at the polls.

Now you can understand what I mean when I said that unless you tackle the socio-political problems, you will never solve the economic ones. Now you can understand more clearly my cries in the wilderness for the establishment of a meritocracy to replace the present system of patronage and nepotism. Hopefully, you may even understand the reasons for my persistent call for an Equal

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Opportunities Commission. These infrastructural arrangements are as equally important as the financial and production infrastructure.

The Minister says, at page 15, that as a result of the shortfall in revenue projected in the 1992 budget by some \$342.9 million, the Government was forced to abandon 31 per cent of its plans for capital expenditure. Do you know what that means? It means that all the sound and fury of the debate on the 1992 budget signified nothing. It was a farce. As soon as we turned our backs, the Government did their own thing.

To this day, the Parliament and the people do not know which capital projects were abandoned, who decided to do what and what projects to abandon. Should that matter not have been brought back to the Parliament for approval of a revised budget? I now hope the people will understand the importance of my request for a select committee of Parliament to monitor the budget performance of the Government on an ongoing basis by full-time parliamentarians. We want to work for our pay. I hope you also noticed this is why the PNM Government does not want such control and supervision. I hope that is noted.

Another demonstration of failure in 1992 by this wet-ears PNM regime is the admission of the Minister, at page 16, that having failed to collect the revenues they anticipated, having failed to qualify for the structural loan from the World Bank, the PNM Government did exactly what they condemned the NAR Government for doing. They resorted to financing from the Central Bank to the tune of several hundred million dollars. They called that prudent financial management—they are no different from the previous regime, I tell you.

This is financial mismanagement and incompetence of the highest order; it is a disgrace. What is worse is that no one knows for sure what the Central Bank financing was for. If it was for consumption, as I suspect it was, then they are continuing in the NAR syndrome of digging a hole to fill another hole and we shall forever be in debt. Continuing in the wake of the previous regime, the PNM did not miss a trick in trying to "out-NAR" the NAR.

In 1991, the NAR regime came to this House and said it was going to spend \$70 million on the LIDP project. It ended up spending \$170 million without the knowledge or consent of the Parliament, moving moneys allocated for widows and orphan funds, bridges, water roads, et cetera into the LIDP.

The PNM, on the other hand, budgeted \$90 million for the LIDP in 1992. It ended up spending \$120 million, again, without prior knowledge, approval or consent of the Parliament. What did we achieve by this expenditure? This caring Government now boasts that it provided 86,963 short-term jobs, whatever that means. Is it that 86,963 people got 110 days each; or 43,000 got two 10 days each; or does it mean that some got five days and others got none? Nobody knows. But if we were to judge by the number of complaints reaching us, that exercise will go down as one of the most vicious and corrupt in our history. What is sad, though, is that the \$120 million is gone and the people are still unemployed and still hungry.

It is patently clear that this PNM regime intends to keep their hapless supporters in a case of perpetual dependency, destroying people's soul in their vicious attempt to maintain power at all costs. Having failed miserably in 1992 to ease the suffering of the people, the Government nevertheless pats itself on the back and says, at page 18 that it achieved the economic stabilization targets and is now ready to go forward. Let us see how.

The Minister is directing us where not to look. He advises us that if we really want to know where the Government is going, do not look only at the budget; go to the document entitled "Medium Term Policy Framework: From Stabilization To Growth, 1993 to 1995". So that is where he got it. If we were to take the Minister at his word, one would expect that that is where one would find the Government's proposals for dealing with the nation's problems. But no sooner has the Minister said that on page 19, he leaps forward on the next page and warns us that the medium term policy framework is not a development plan. It is not strategic, but tactical. So do not attach much significance to it, as it will have to be revised on an annual basis.

Having failed to distinguish between objectives, strategy and tactics, he ends up in total confusion, not knowing if he is going or coming or standing still.

Just as an example, he says that the objectives of the medium term policy framework are:

- "(1) improved fiscal and monetary management;
- (2) increased reliance on the private sector for investment and growth; and
- (3) an export-led approach to growth and employment creation."

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Madam Speaker, these are not objectives. They are not ends in themselves, but hopefully means toward some defined objective. Surely, the primary objective of all Government activity is the happiness and well-being of all our peoples. But, confident in his ignorance—and I hasten to add that I am not using this word in the pejorative sense, but merely descriptive, meaning not knowing—the hon. Minister goes on to say that the specific goals of his medium term policy framework are:

- "(1) creating the condition for sustainable growth;
- (2) increased employment;
- (3) viability of the fiscal accounts and the balance of payments, and the rebuilding of the foreign exchange reserves;
- (4) price stability;
- (5) institution of an adequate protection of the more vulnerable and disadvantaged groups in the society; and
- (6) conservation and protection of the environment."

This is total confusion of the thought process. But be that as it may, we shall have to deal with that at some other time. For the moment, can anyone tell me what is new in those proposals? It is a rehash of the old themes and an advocacy of the old policies, solutions and approaches of the former NAR regime that got us into this mess in the first place. How is this different from what the discarded NAR Ministers were saying between 1988 and 1991? Echoes of macro-economic jargon which the former Minister of Planning so loved to spout.

This regime seems to have forgotten that the people wiped out the NAR precisely because of these policies and approaches. I have no doubt in my mind that the people will do it again when the time comes if this Government fails and/or refuses to bring about meaningful changes in this society.

Take, for example, the Minister's statement at the top of page 21. I quote:

"Growth and expansion of employment opportunities will derive essentially from increasing the level and efficiency of investment."

There is absolutely nothing new about that statement. It has been said 1,000 times. Besides, it is too vague to be of any practical significance.

It is a well-known fact that there can be huge investments that create extraordinarily few jobs, as in the petroleum sector. Precisely the sector in which the Government says it has moved boldly to encourage investments.

Assuming for the time being that the statement is capable of implementation, why have this and previous governments failed to improve the local climate for investment? What are the impediments and constraints? If it is partly bureaucratic, as the Minister suggests, why has the Government been so tardy in removing that and other impediments? Why the crippling inertia of the executive? Is it ignorance, incompetence, lack of political will, temerity, fear? What is it?

Why do they not simply go ahead and do what they have been saying for years that governments must do to attract investments?

Madam Speaker, I fear that the truth is that they have done all they said they should do, but they have failed to attract investments because they were wrong in their assessment and now they do not have the courage to admit that they were wrong.

There is one area in which the new PNM differs considerably from the old PNM and that is on the question of involvement of the state in business enterprise or, as they themselves put it, Government's participation in commercial activity.

The new PNM seems to have undergone an ideological metamorphosis that inevitably compels it to divest the state of its ownership of certain enterprises, or to put it another way, to privatize them. Privatization has become an ideological imperative for the new PNM. How else can we explain the Government's irrational approach to divestment or privatization? One can understand the need to sell off the state enterprises that are losing money and bleeding the Treasury with no hope of turnaround, but what is the rationale behind the moves to sell off Fertrin, the Urea Company, Farrell House and the Methanol company? Why are they disposing of our money spinners? Could they not pay off the debts partly from the income derived from these profitable enterprises?

I am told that the PNM Government is selling off these profitable enterprises to pay off the foreign debt, but it seems as if every time they pay off one debt they incur another. They continue to borrow. I fear that if they continue like this, one of these days they are going to find themselves minus their assets and this time still with a heavy debt burden outstanding.

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Did their teachers not teach them that one must never sell one's house to pay rent or mortgage one's motor car to buy gas? The tragedy of all of this is that you do all of this foolishness, sell off our assets, bury us in the debt and then come the next elections they will lose and be gone on their merry way, like the NAR, smiling all the way to the bank.

11.00 a.m.

I believe there should be a law that allows this House to summon former Ministers who have lost their seats to appear before the Parliament to answer for their stewardship while they were in office, with the power given to the House to impose jail sentences for misconduct and/or wastage of public funds.

Having done an ideological *volte-face*, the "Patrick National Movement", to steal a phrase from the former Member for Laventille, the late—I mean politically—Mrs. Muriel Donawa-Mc Davidson, before the cock could crow twice, they want to deny their conversion to neo-liberalism by introducing a Public Sector Investment Programme. In so doing, the Minister sends confusing signals. If the figures given on page 24 for the Public Sector Investment Programme are correct then the Government will be spending on roads, bridges, electricity, water and agricultural access roads, a mere \$138.28 million per year over the next three years; \$250 million per year for education, health, housing and settlements and \$316 million per year on directly productive activities mainly in the energy-related projects; a total of \$2,313 million in three years.

When you link this with the intention of the Government to abdicate its responsibility for dealing with the burning question of unemployment by "increasing the reliance on the private sector for investment and growth via export-led approach to growth and development creation", you realize that we are all in for hard times. Overall, a deterioration in our physical and social infrastructure can be expected. If the relationship between expenditure and performance of the past is maintained then we can expect no improvement in our roads, water supply and distribution or the electricity supply. We can expect no improvement—maybe deterioration—in health, education and housing services.

The Minister says that the objectives of his 1993 budget, as stated on page 25 are:

- (i) Overall balance on the Government's fiscal operations;

- (ii) Restraint of monetary policy to protect the balance of payments and contain inflation;
- (iii) Investment in the expansion of the energy sector;
- (iv) Communication of the process of trade liberalization; stimulation of business activity and investment; and
- (v) Job creation and improvement in the safety net.

All this sounds very well, but when one examines what the Minister is saying on the one hand and what the Government intends to do on the other, one gets the distinct impression that no one has a clue of what to do to ease the suffering of the masses and the despondency of the business community. It is a negative response to a declining economy by a lack lustre bunch of incompetent and corrupt self seekers.

Let us take the Minister's proposals one by one, dissect and examine them and reveal the mass of negative confusion in their heads.

A balanced budget: You can achieve a balanced budget in several ways. Given a position of equilibrium you can earn less and spend less in equal proportions and you will end up with a balanced budget, but in so doing you would contract the economy further thus causing more hardship and suffering on the population. Zero income minus zero expenditure equals a balanced budget. It also means we are all dead. This seems to be the approach of the Government.

You may also achieve a balanced budget by earning more and spending more. In that scenario you have an expanding economy where both the workers and employers, the producers and consumers, the businessmen and those engaged in the service industry are all more prosperous and all happier. But to earn more you must produce more; not merely by enhancing your revenue collection whether it be at the VAT Office, Board of Inland Revenue Department or Customs and Excise. As important as these measures are, they will neither increase the GNP in real terms nor stimulate economic activity. This is what you should be aiming at. In fact, the proposed revenue projection agency is likely to have just the opposite effect by curtailing business profit. Where some business structures were formulated on the basis of not paying taxes, if you impose taxes upon them they will have to go out of business.

Containment of expenditure: How does the Government intend to do this? By monitoring personnel expenditure and Government's purchases of goods and services; by reducing support for the state enterprises and public utilities making

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them more efficient and financially viable. The first thing which struck me when I heard this statement was that it is an unveiled admission of incompetence and mal-administration. It begs the question: Had they not been controlling Government's outlays and monitoring Government's expenditure on personnel emoluments, goods and services for the past year and all the years that the PNM has been in power? If not, why not? If they could not do it then, what makes one think they can do it now? What new mechanisms are they going to put in place that will make the difference? How are they going to make the state enterprises more efficient when they persist in perpetuating a vicious system of racism, nepotism, party patronage and downright corruption in the public sector? Who is going to guard the guards? Information reaching the Opposition is that corruption is running amok in the new PNM regime. I am told that the new Turks are behaving as though they know that they are in power only for a short time and must therefore take as much as they can before time runs out.

We would like, for example, to urge this House to appoint a select committee to investigate the award of the Port Authority's insurance portfolio to a firm of insurance brokers in which one of their Ministers is said to have substantial business interests. I think it must have come as a shock to every decent citizen in this country when, in the heat of public outcry, the Prime Minister announced that he was setting up, contrary to law and practice, a personal one-man committee with no real power to examine whether the procedures were followed in the award of the contract for the Airports Authority project to a firm called Pegasus whose symbol should be "the flying horse". The Prime Minister must be more sensitive to public opinion and ethical standards lest he be accused of covering up for those who gave him sustenance while he was languishing in the Opposition.

The reduced financial support to the public utilities would most likely mean higher rates for these services particularly water and sewerage and electricity. The effect will be not only increased hardships on poorer households, but an increase in costs to businessmen, so rendering them even less competitive in the proposed export drive.

The tragedy with the recent meteoric increase in water rates and electricity bills is that consumers are now being called upon to pay for corruption, waste, inefficiency, mismanagement, nepotism and patronage. Water mains remain burst and overflowing for months on end and the consumers are now paying for that. They also pay for the cost of corruption associated with the distribution of truck-

borne water. They pay for men standing idly by for hours waiting for materials to begin work. Have you ever seen a pothole in the road grow wider and wider day after day with no one seeming to know who is responsible for mending it?

11.10 a.m.

Then suddenly after many months, maybe even years, the pothole is covered up, filled with loose gravel and tar, only to be opened up again in a few days. This unique system of road repair is not to be found anywhere else in the world. It is a secret skill passed on by oral tradition and whose origin is lost in PNM's antiquity. The joke is that people pay for such inefficiency. Then we have the audacity to claim that we are highly skilled people. We must stop deluding ourselves in that regard.

Objective No. 3. Stimulate business investment. The only investments we are likely to attract in 1993 seems to be in the energy sector, which the Minister admits will create very few jobs and attracting investments in the energy sector is not a difficult job anyway. Even so, the price we had to pay for these investments seemed to be very high and involved the loss of existing jobs.

For example, I understand that some of the foreign companies are getting work permits quite freely to bring in divers, when we have local divers, who are highly skilled and unemployed in the marine operations. Bringing in welders. The Minister tells us that there will be considerable activity in the energy sector over the next few years, but very few jobs for locals. Now we know why. The workers will come from abroad.

If that be the case, how is the Government going to ameliorate the chronic unemployment problem? The Minister says by specific initiatives outside the energy sector, presumably by stimulating business activity in the non-oil manufacturing sector. How is he going to do that? By introducing a new trading regime. When you examine this new trading regime the Government is talking about, there is only one conclusion to which you can come and that is, given the level and general milieu of production in Trinidad and Tobago, the net effect of the CET regime would be to send most manufacturers into liquidation within two years at most.

This Government does not seem to understand that, given the very nature of our manufacturing base, its small size, the type and quality of goods, the volumes and periodicity of supply; the low level of technology; our structure, and so on,

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our existing manufacturers simply cannot compete, even on their own turf, with the manufacturing giants of the developed world, far less venture into new undertakings of that kind with the hope of penetrating the export markets.

When I hear this Government talk so glibly of export-led growth and other such nebulous cliches, the first thing I ask is, what are we going to export? Computers, cars, high-tech plant and machinery, electronic consumables? Can we compete with Japan, the US, Germany, Hong Kong, Taiwan? We have to recognize that the existing productive base was designed to serve another economic strategy, that is the strategy of import substitution as a road to economic development. Not a strategy of export-led growth. We cannot use one base to serve both strategies, because we are producing the wrong goods now. The Government's strategy is wrong.

We must convert what appears to be our liabilities into assets. We must take advantage of our small size, and the fact that whatever we produce will be so minuscule in proportion to world trade, that the areas into which we venture will not feel our presence; and so resist it. To be export-effective we must consciously, carefully and methodically select areas into which we want to export; areas where we have a competitive advantage and little competition. It may mean a re-orientation of our productive base, unlike that which developed as a result of the economic strategy of import substitution. It is foolish to produce goods you cannot sell, like assembled fridges, assembled motor cars, assembled televisions, and then try to find markets for them.

Our approach to productive development must start from the other end—the marketing end. We must identify the markets first, then gear our production to satisfy those markets. The markets we are looking for are those that are for goods in which we have a competitive advantage having regard to our size, our natural, physical and human resources. The markets need not be large ones, since our size does not permit us to produce in vast quantities.

Let us take, for example, the market for exotic fruits and organically grown vegetables. Do you know that properly-packaged *sici yea* figs sell at fairly high prices as an exotic fruit abroad? Foreigners think it is a rather cute banana. A small, but very lucrative, market for exotic fruits and specialized agriculture exists in almost every metropolitan country.

Then there are the ethnic markets, the nucleus of which consists of our own citizens abroad, for tropical and West Indian foods; and then there is the health food market for organically grown food. I can go on and on, but this is the sort of thing I am talking about. Our steelpan falls into this category. Since I know myself I have been hearing the PNM talking about a steelpan factory. To date, not so much as an outdated blacksmith's forge running on coal has been built.

Mr. Manning: There is a factory.

Mr. B. Panday: Yes, where is the export? And these panmen still trust the PNM. Will they ever learn? In the same vein, there are products to be made from indigenous raw material such as asphalt, teak and the various kinds of woods we have. Then there is the possibility of secondary manufacture from locally produced raw material; specialized iron and steel products.

The only indigenous industry, outside the energy sector, which is capable of a viable, large-scale development is the fishing industry. Properly managed, the fish in the seas around us can provide jobs for more than 50 per cent of the unemployed. Newfoundland supports more than 10 per cent of its population by its fishing industry. Having identified the areas into which we want to expand existing exports, and/or develop new ones, the role of the Government should be to take such measures as would make our exporters competitive, even if it means providing indirect and undetectable subsidies and assistance. For example, small and medium-sized businesses do not have the resources to carry out extensive market research in foreign countries. The Government should set up the infrastructure to provide such market research, making its findings available to the business community. To achieve this task, we do not spend much more money: the Government must convert its embassies abroad into permanent economic information centres and trade facilitators for our local exporters.

During my brief period that I was Minister of External Affairs in 1987, I had begun to set the foundation for making our embassies veritable trade information centres but, alas, it was not to be. I did not last as long as the proverbial "snowball in hell". But what do you expect from sleeping with the devil?

11.20 a.m.

I had hoped that the present Minister of External Affairs would finish the job I began, but alas, he seems to have learnt his international relations under a sapodilla tree, which is growing on a broken bridge. Disaster is inevitable.

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There is another project which I began in those halcyon days that I did not get a chance to complete, and which I thought would have been of enormous benefit, not only to our exporters, but to the entire business community. It was the establishment of a world trade centre at Piarco. The idea was to set up a computer data base that would tap into the data bases in all the major cities of the world, which would have provided our business community, big and small alike, with up to the minute information on markets, prices, availability of goods and services, and a host of other relevant information, without which, no serious businessman can function in this modern world. That is the kind of direction in which the UNC was thinking.

Among some of the more serious obstacles to our penetration of foreign markets is not the tariff, but the non-tariff barriers; marketing, labelling, coping with rules and regulations that differ from country to country, and from time to time, in the same country. A government really interested in exports would set up an export facility that would provide up-to-date information of this kind, and other relevant assistance to potential exporters. Let it not be said that the UNC does not have ideas and alternatives. Investors and exporters need a variety of financial services at low cost and low interest rates.

I have made this comment in the past, and I am making it again, the financial institutions, as presently constituted and controlled in Trinidad and Tobago, are a major obstacle to our economic development. It is a hindrance to new investment and business expansion. It is cannibalistic. Gobbling up others. That statement has gotten me into a lot of hot water. The media have used it to give the impression that I am anti big business. Let me say now, as I say again and again, I am not anti big business as such, I am against monopolies and cartels that engage in unfair business practices. Development of small and medium sized business in this country—if the present practices continue in the banks and other financial institutions—would never get off the ground.

One of the more common difficulties faced by businessmen is the availability of money for investment at reasonable interest rates. Not only are the present interest rates too high to encourage investments, but the word from the Central Bank, and the Government, is that the country can expect a further tightening of liquidity and possibly higher interest rates over the next year. One understands the need to cut inflation and stem the drain of foreign reserves, but the answer is not to dry up available capital in the process, but to set up lending agencies for loans for business

investment on concessionary terms. The present efforts, in this regard, are hopelessly inadequate.

I note, with some measure of satisfaction, the desire of the Minister to make this country into a financial centre of the Caribbean. I cannot remember seeing it in their manifesto, but what I do recall, is making the identical proposals some eight years ago, and again, even more pointedly, at the launching of the UNC, using the Singaporean model as the basis for my argument. In fact, I have argued that having regard to our geophysical and geopolitical advantage, we can, if we want, become the financial Mecca of the Western Hemisphere; but there is a price you have to pay for that. If you want to know the price, you must read the book entitled *Management of Success—The Molding of Modern Singapore*. It is the *locus classicus* on the subject; a series of articles of eminent thinkers, edited by Kernial Singh Sandhu and Paul Wheatley and published by the Institute of Southeast Asian Studies in 1989.

It is a tome that traces and analyses that country's colonial legacy, a history not unlike our own, with a familiar inheritance of a colonial economy and a plural society, but there the similarity ends. The book goes on to speak of a dynamic and bold leadership that had the guts to restructure the political system, the economy and the society, which speaks of the concomitant modification in the legal system and the cultural matrix of the island, the social transformation that accompanied it, the manner in which Singapore is responding to the information revolution, its handling of security questions and of its conduct of foreign policy.

The chapter entitled "The evolution of Singapore as a financial centre" by Ralph C. Bryant should be of particular interest to you. It makes this bunch of jokers look like a bunch of jokers. It even has a section on how to deal with corruption, a chapter which the Deputy Prime Minister, the Minister of Planning and Development, should find most interesting, even if in an obtuse kind of way.

It is sheer madness to say to the business community, while the trading regime is clear, as you see on page 33, make up your mind whether and how much you will invest, in which direction you wish to grow, and get on with the business of developing the national economy. That is much too simplistic. Any Government worth its salt would have realized that even though there were concessional arrangements for our goods, in Lomé, CBI and Caribcan, our manufacturers were unable to penetrate these so-called open markets that were apparently there for the

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taking. Had they analyzed that phenomenon and asked why, they would have discovered that non-tariff barriers are sometimes stronger than tariff barriers and often much more difficult to surmount.

They would have realized that it takes more than open market to gain entry therein. Exporters need to have in place the kind of infrastructure to which I have previously alluded, and the revolution in the social, economic and political system that Singapore had to undertake.

Singapore freed up the banking and financial system. Are you prepared to open up the banking system and allow off-shore banking here? If not, how are you going to establish an international financial centre in Trinidad and Tobago? Do you think that the National Business Advisory Board is a sufficient substitute for fundamental socio-economic changes that you must make? Please do not be so naive.

Unless you have the proper structures in place, nothing will have the intended effect. Let us take for example, business expansion and the industrial restructuring loan that you expect from the World Bank, to provide credit to manufacturers for retooling and streamlining their operations. The first thing to note is that it is a loan and, as such, it adds to the financial debt. The Minister of Finance has not said otherwise.

11.30 a.m.

In addition, the second thing is that if we are not careful the international sharks and conmen will again con us as they have conned this nation of patsies so many times during the boom years. Examples of this are the Bagasse Plant, Mount Hope Complex, the Steel Mill and the Guayamare strip of the Solomon Hochoy Highway. The Tobago Deep Water Harbour immediately comes to mind. Unless you have proper mechanisms in place the chances are, that for an unknown kickback, before you know it, the Government is steered into hiring a team of so-called advisors who will do a feasibility survey, and recommend the outdated machinery of their client's company, to our unsuspecting export manufacturers. By the time the plant and machinery are installed, they are outdated and outmoded and our manufacturers are back to square one, unable to meet foreign competition spawned by more up to date plant and machinery.

In my 26 years in politics, I have seen it happen time and time again, starting with Lock-joint in the '60s, and now Pegasus, in 1992. Today, we can already see the new O'Hallorans and Prevatts emerging on the horizon of corruption. I was

somewhat amused by two statements made by the Minister. In the printed budget speech, at page 34 he states:

"Our policy will be to promote investment missions from the United States, Europe, the Far East and Latin America..."

I shall be most grateful if the hon. Minister would be so kind as to tell me how many such missions have visited Trinidad over the past 10 years, and what has been the total effect of such missions, insofar as it relates to new investments in the non-oil sector. I can think of at least 10 such missions and no investment.

The irony of this policy is that following upon the electoral victory of Cheddi Jagan and the PPP in Guyana, several businessmen in my surrounding constituencies have approached me to lead a team of businessmen to Guyana, with a view to identifying business opportunities in that country. I intend to do so shortly, but that is not the point.

The point I wish to make is that because of the Government's failure to set up a meaningful trading and investment regime, with all the implications of the Singaporean model, that has caused our own businessmen to be cynical and to feel that Trinidad and Tobago is not a suitable place to invest, and that they themselves must look for greener pastures. If our own businessmen have no confidence in our own Government to invest in our own country, do you expect that foreigners will have it?

In 1991 I warned this country that if on Monday morning they vote the PNM on the grounds of race, I would like to see them take race and go to the grocery on Tuesday morning. I am still waiting to see that. Those who did so, may today be unemployed, hungry and homeless, but at least, I suppose they have the comfort of knowing that they do not have an Indian Prime Minister. Such are the sins of racism.

I come to the second statement on lobbyists, which I found amusing. Page 34 states:

"The Government has also recently appointed a reputable firm of lobbyists to represent its interests in the United States and to provide relevant commercial intelligence to assist our businessmen in penetrating markets abroad."

Note it is to represent their interests, not the country's interest.

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As you all know, for a long time now I have been advocating the use of the lobby system in the United States as a means of promoting the country's interest. In fact, I was very annoyed when soon after the NAR victory, the then Prime Minister refused the offer of our own Mervyn Dymally, who was then the Leader of the Black Caucus in the US Congress, to serve as a lobby for Trinidad and Tobago's interest in the United States.

Those were the days when the lobbyists were really powerful. Now that the new President, Bill Clinton has vowed to reduce the power of the lobby on Capital Hill, this sleepy and drowsy Government has decided to hire a firm of lobbyists. I understand that the firm they talk about is not one of professional lobbyists at all, but a second rate public relations firm, headed by George Dally, recommended for the gravy by a former Governor—of the Central Bank—whose wife is employed as a PR person in a Washington Embassy. God forgive me if my information is wrong, but I will surely like to know the name of the firm, how much we are paying them and for doing precisely what.

Why can we not use the staff at our foreign embassies, as I have said, to provide relevant commercial intelligence to our businessmen in penetrating markets abroad? Why do we have to duplicate expenditure which we can hardly afford at this time, when our people are going hungry and naked in the country? We are always safer relying on our own strength. Foreigners have a tendency to act on their own interests.

Mr. Mottley: Dymally is not a foreigner?

Mr. B. Panday: He is a son of our soil. His navel string is buried here.

I now come to the vexing problem of unemployment, and what the budget says or does not say about job creation. There are times in this budget when the Minister gives the distinct impression that the Government has abdicated its responsibility for developing the national economy, and handed it over to the private sector, together with its duty to ensure that there are significant jobs in the society to meet the demand and needs of the unemployed. At page 35 it states:

"Government recognizes therefore that it must design measures to generate employment-creating activities in both the short and long term."

It would seem that the Government is not sure where it stands on this issue. Be that as it may, the Minister says that the Government's employment creation thrust would be to encourage activity in the construction centre, that is build a new prison, develop Piarco Airport, health facilities and petrochemical plants.

Look at the tourism industry. It spent \$130 million in LIDP projects and intensified training programmes. This must be the weakest statement that has ever been made on the problem of unemployment that one can imagine. The Minister does not say how many permanent or temporary jobs will be created in building the new prison, health facilities and petrochemical plants. What we do know is that except for a few jobs in the petrochemical industry, no permanent employment will be created in the construction sector.

As far as tourism is concerned, the effects of the recession in Europe, Central and South America have adversely affected our tourism industry in 1991 and 1992. Indications are that tourism expenditure will decline in 1993. I refer to page 16 of the *Review of the Economy*.

I am not sure how the LIDP worked in 1992. If the Government spent \$120 million and provided 86,963 jobs, each person would have earned \$1383.00 for the year. At an average of \$70.00 daily that means that each person got two 10-days. Those calculations and figures assume that they bought no materials. If 50 per cent of that sum went to the purchase of materials, then the figures tell a different story. It means that 86,936 persons would have received one 10-days for the year. That is to say, that for the whole year, they would have received \$700.00 in order to live and take care of their family.

Using the same formula for the \$130 million allocated for 1993, about 92,000 persons will get one 10-days for the year, if there is fair play. If there is not, 46,000 persons will get two 10-days. In any event like the recipients of handouts in 1992, at the end of it all in 1993, they, too, will still be hungry and unemployed. If the programme is administered unjustly, you can add to that their hunger, alienation, anger and fury. Definitely, you can expect social instability.

With respect to the proposals for training, I would like to ask the Government the following questions. Training for what? What will happen to the trainees after they have trained? What has happened to the people the NAR regime said that they trained under YTEPP and YESS and "NOPE"? How many trained young people are now unemployed? Where are the people from the youth camps?

I raise these questions because I do not intend to let them get away with fooling the people. If you train people for jobs that do not exist, then instead of having a body of untrained, unemployed youths, you are going to end up with an army of trained unemployed youths. Believe me, they are then more frustrated and more prone to explode. If you are going to embark upon a programme of training, you can only do so with purpose if you have all the necessary infra-statistical data. What is the real size, nature, quality and distribution of the unemployed labour force? What are the skills in demand now, and in the projected future? What is and will be the nature of the demand for labour, having regard to our planned development?

11.40 a.m.

Only then can you begin to think about purposeful training. You must have a plan.

If there are going to be no jobs after you have trained your unemployed, you must prepare them for self-employment. If you want to train people to become self-employed, you must have the necessary support structures and mechanisms in place to set him or her up in successful business after training, to place him or her in small businesses. That may entail the vast subject of cottage industries, the type of production systems, packaging, labelling and marketing.

Madam Speaker, I can assure you that the UNC has those plans, but first of all we must explode the myth that we are a highly skilled and highly trained labour force. In fact, we are backward, untrained, unskilled and innocent lambs in the world of high technology, computer, robotics and the latest engineering techniques. We must stop deluding ourselves and take a hard look at what we really are—a technologically backward and primitive people in many ways.

Thirty years ago the Japanese decided that they were going to lead the world in industry and technology, and even then they began a programme to create their own destiny. They embarked upon a programme of training that attained devotional heights akin to religious fervour. Those are the heights to which we must aspire if we are to take our place in the world of real business. The training schemes envisaged by the Government contain no elements to indicate that it would not go the way of all flesh touched by the PNM, that is, corrupt, nepotic, discriminatory, patronizing and without direction. I wish it well, but I fear to hope.

I am interested in the Civilian Conservation Corp which will be administered by the Defence Force and for which the Government has already allocated \$15 million. Before I comment, please be good enough to tell me exactly what you have in mind. Is it another attempt at the ill-fated Miles National Service? I am prepared to wait and see. I reserve my comments until then.

I note that the Government prized itself with having spent \$487 million on a variety of social programmes in 1992. The Minister does not identify what those programmes were so there is no way of assessing their efficacy. I wish merely to point out that the amount of moneys spent may have no relationship to the actual relief of poverty. How much of that money went in corruption, administration, maladministration and waste? How much reached the poor and destitute? No one knows. Under the present parliamentary system, there is no way of knowing and verifying. The Government intends to spend \$566 million in 1993 on social support programmes. Will we again be faced with allegations of inequitable distribution, favouritism, nepotism and corruption? If we do not set up the necessary watchdog committees in this Parliament, then the answer is undoubtedly a resounding "yes".

Similarly, the figures given on page 40 for expenditure on roads and bridges, schools, health facilities, housing and development of infrastructure for 1993 do not mean a thing. Our experience has shown us that increased expenditure does not necessarily lead to improved conditions. How much of the sums allocated will go for wages and how much will go for materials and goods and services? How many potholes will be reopened after being filled with tar and gravel? What proportion will go as cutbacks for contracts? Unless we know that, do not pin too much hope for improved conditions, merely by looking at the expenditure figures.

No right-thinking member of this society will object to paying taxes in return for proper services. We know that there are no free lunches even when you steal it, you somehow have to pay for it. Ask O'Halloran and Prevatt. What we all object to is paying through our noses for corruption, for maladministration, your waste, your arrogance and incompetence. I wish I had the time to go through the records of every single Ministry and demonstrate how the taxpayer of Trinidad and Tobago is not getting value for his tax dollar. I hope that my colleagues will do just that as this debate proceeds. Suffice it to say here that, in 1992, the PNM Government collected in revenues the whopping sum of \$6,249.7 million and spent \$6,884.8 million. All I ask is, "What do we have to show for it?" That is money spent in 1992.

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To those PNM apologists, who say that the Government can do nothing because it does not have money, let me remind you again that, in 1992, they have spent almost \$7 billion, that is, \$7,000 million. You ask them what they did with it. I predict that 1993 will be no different. This PNM regime will receive, if the budget figures are correct, \$6,889.7 million and spend \$6,889.7 million—no surplus, no deficit—but at the end of the year we will have precious little to show for it. If that is the kind of government the supporters of the PNM want, then they are entitled to it, but why must the rest of us suffer? We are in the majority. All I have to tell them is the next time, not to divide their votes.

The specific proposals in the budget will lead neither to growth nor stability and possibly to confrontation and social instability. It is more likely to lead to further stagnation. It is contradictory and confusing, pulling in different directions at the same time.

11.50 p.m.

The 0.25 business levy on gross sales, payable on a quarterly basis, is a disincentive to business expansion and it will adversely affect their cash-flow position, their overdraft facility and increase the cost of money for investment. The intention to broaden the tax net, as proposed by the Government, may result in the closure of several small businesses whose existing operational structure does not contemplate inclusion in the tax net.

Already, several businesses are threatened with closure because of high rates for water and electricity. On one hand the Government says it wants to expand private enterprise and in the same breath it imposes constraints on business which would prevent it from so doing.

For the life of me I cannot understand the rationale behind the imposition of income tax on agricultural holdings. The Government admits that almost every developed country subsidizes their agriculture. In fact, that is the basis of an impending trade war between the United States and Europe. We are supposed to compete with them, but what does our caring and sensible Government do? It makes agriculture more costly and less profitable by imposing income tax on the producer farmers.

I regard the introduction of the tax benefit on homeowner's mortgage interest payments from \$36,000 to \$24,000 per annum as immoral and unjust, if not unconstitutional. To encourage, lure and persuade an individual in one year to

commit himself or herself to a mortgage on the basis of a concession and then remove that concession in the following year is an act of deceit of humongous proportions.

If an individual should do such a thing in a private transaction, he will be liable to the victim in damages for fraud and/or deceit and/or wilful misrepresentation. But when you are a PNM Government, they applaud you on the other side for such inequity.

The removal of the home maintenance allowance falls in a similar category. The records will show that we warned the Government about introducing that one. But they would not listen. They wanted cheap kudos and the fools clapped. The sin now is in introducing it and then removing it; that is the crime.

Another area of contradiction in this budget is the raising of the stamp duty on the transfer of property. If you want to kick-start the construction industry by encouraging developers to build houses and offices, you do not add to the cost by raising the cost of transferring such property. It is precisely this kind of crooked thinking that seems to have led the Minister into yet another ineluctable *faux pas*.

The Minister's proposal to exempt income tax and corporation tax on all rental incomes on residential and commercial properties built between 1993 and 1994 on the face of it sounds good. But when you add to this that this benefit will continue up to the year 2000, you are talking stupidity.

It is a fundamental principle of constitutional law that no Parliament can bind nor negate the actions of future Parliaments. What would prevent the UNC Government in 1996 from abolishing or reducing this benefit, as indeed the PNM has now done with the helpless and hapless home mortgages? I understand that this proposal has to do with a huge building project to be built in Westmoorings.
[Interruption]

The Minister says that he wants to encourage savings, yet the Government continues to tax interest on savings accounts of fixed deposits. They say they want to encourage investments and promote exports, yet they continue to impose duties and levies on raw materials and inputs to raise technological standards. What a silly system it is that says that if a local manufacturer produces goods and he exports them, he does not pay VAT. But if a trader/importer buys the same goods for export, he pays VAT.

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If Government wants to facilitate our entry into the world of modern technology, it must remove the restrictions and duties on things such as computers, components for high-tech experimentation and inventions, books on science and technology and that kind of thing. Technological advancement is taking place at so rapid a pace in the world that second-hand computers are going a begging in technologically advanced economies. Remove all the taxes, duties and levies on them and let them flood into our schools and even into our children's playpens and so expose them at a tender age to the world of technology. "Where there is no vision, the people perish"; Proverbs 29:18.

The proposal on venture capital funds is very unclear. What do they mean by the expression at page 53, "investments undertaken by a venture capital company must be primarily in the export-oriented enterprises"? Very often, in order to penetrate the foreign market, you need to sell on the local market so that you may gain cost benefits derived from the economies of scale. But I guess we shall hear more of this.

Mr. Valley: That is why the word "primarily".

Mr. B. Panday: In some respects, this budget is wickedly deceptive. To justify raising the price of domestic gasoline by 73 per cent because some people are mixing it with regular gasoline is to ignore the impact on consequences of the price increase on the legitimate users of domestic gas. It will impact more severely on the lower income groups. But what is worse, to tell us that in addition to changes in prices of auto diesel fuel, marine diesel fuel and kerosene, without telling this House what those changes are or will be, and to casually and nonchalantly say that they will raise that on a variety of wide transactions is to display arrogance and contempt for the people as only the PNM can.

Madam Speaker, in the campaign leading up to the general elections in 1991 and the local elections in 1992, I told the people that if they re-elected the PNM to power, they would endure a suffering such as they have never seen. My words have come to pass.

I recall at a public meeting in St. James, two days before the local government elections, I was in the fullest flights of oratorical fancy when a lady came and stood up, right in front of the podium, with her legs apart and a scornful look, she shook her hips and shouted at me: "I go vote PNM until I dead!" To which I calmly replied, "Darling, the way the PNM are going, that will not be long now".

I wept for her then and I weep for her now.

Thank you.

Madam Speaker: Member for Oropouche.

Mr. Valley: Madam Speaker—

Madam Speaker: You see, nobody raises their hand. They must catch my eye, you did not let me know.

Unfortunately, the Member has already stood up.

I said it on the last occasion, Members wishing to speak, if you try to get my eyes just as the Member is finishing, I will certainly oblige. But if a Member gets my eye and then somebody tells me that this other Member wishes to speak, I am afraid I cannot do otherwise.

Mr. Valley: Madam Speaker, my apologies. I simply thought that we were, in fact, conducting a debate, one and one.

Madam Speaker: That is why I was waiting to see who was asking me to catch their eyes.

Mr. Valley: I assumed it was a debate.

Madam Speaker: Are you willing to give way, Member for Oropouche?

Mr. Sudama: Yes.

The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith): Madam Speaker, I wish to thank the hon. Member for Oropouche for giving way and I apologize if I did not catch your eye.

Once more, Madam Speaker, it is my task to raise the level of this very important debate from “mauvais langue”, uninformed and irrational argument, wild charges and allegations of corruption—*[Interruption]*

Madam Speaker: I think there ought to be reciprocity in terms of the contributions of the Members. I think it will be fair to give the Members a chance to speak and make their contributions.

Will the hon. Minister continue, please.

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Hon. L. Saith: Perhaps, Madam Speaker, I can carry on. The wild charges and allegations of corruption which have been the hallmark of the contribution of the Member for Couva North.

Madam Speaker, on that score, I merely wish to say to the hon. Leader of the Opposition and his very impatient leader in waiting, "when you live in a glass house, be very careful how you pelt stones", or in his case, "sici yea fig".

Madam Speaker, during the first year of this administration, the Ministry of Planning and Development has been active on several fronts in keeping with its central role in the management of the national development process.

One of these efforts, of course, has been that of contributing to the preparation of the *Medium Term Policy Framework* tabled in this House recently. This Government has placed a great deal of emphasis on the early finalization of that policy document to ensure that our many initiatives constitute a coherent and creditable whole which can be relied upon as a fully consistent and co-ordinated framework to take the country successfully forward in these challenging times.

Madam Speaker, our major focus can be summarized as follows:

- (1) to secure a marked expansion in the productive base of the economy and to level greater diversification and resilience;
- (2) to ensure that our production of goods and services is considerably more internationally competitive than it has been traditionally and that we can diversify and increase our sources of foreign exchange earnings as speedily as possible;
- (3) to increase the availability of jobs in a substantial and sustainable manner;
- (4) to make the country more attractive as a viable location for both national and international investment;
- (5) to improve the availability of social services and the efficiency of various delivery mechanisms; and
- (6) to promote widespread adherence to sound environmental management practices and improved regulatory capacity.

First of all, Madam Speaker, I shall touch on some of what I regard to be the significant initiatives taken by my Ministry to obtain these objectives. We have been pursuing, with the Inter-American Development Bank, a programme of

assistance for Government efforts to improve the investment climate in Trinidad and Tobago. This operation, which we hope will yield TT \$425 million in foreign exchange, by way of balance of payments and fiscal support, is designed to improve the environment, incentives and opportunities for efficient private sector investment in Trinidad and Tobago.

The areas selected for focus have been informed by a recent diagnostic study carried out by the IADB and the private sector itself. One objective of the programme is to reduce greatly existing impediments to private investment. Among matters to which attention will be directed are the following:

- (a) improvements in financial intermediation and increasing the availability of resources to finance investment;
- (b) continuation of the process of trade and price reform;
- (c) increasing the range of opportunities for the private sector and rationalization of state-owned enterprises through a carefully formulated programme of divestiture;
- (d) strengthening the legal and regulatory framework to provide clear rules for private sector investment, including land tenure arrangements and intellectual property rights; and
- (e) simplifying and improving the efficiency of bureaucratic mechanisms, including trade and customs operations.

Madam Speaker, the Government is committed to the strengthening of the regulatory and supervisory framework for financial institutions with a view to increasing public confidence in the financial system, improving efficiency, stimulating national savings and mobilizing resources required to support a higher level of investment activity.

We believe that these efforts will also help to encourage a greater national savings effort and to facilitate access to a larger and more diversified flow of external savings. Added to this, development of the financial sector will undoubtedly be needed if expansion of exports on a sustained basis is to be achieved, since export growth will certainly give rise to a derived demand for a broader range of financial services and greater volumes of investment capital.

A strong and vibrant capital market will also make a positive contribution to the growth of private investment. The Government's concern is, therefore, to

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advance capital market development, in general, foster development of primary and secondary markets for government and corporate bonds, and broaden institutional participation in the secondary market.

Accordingly, Madam Speaker, revision of legislation, rules and regulations will address such issues as disclosure requirements, insider trading provisions, proxy requirements, enforcement authority for securities, fraud and harmonization of legislation. Attention will also be given to strengthening the operating efficiency and effectiveness of the Agricultural Development Bank in its role of supporting agricultural growth and diversification. The focus includes the maintenance of capital adequacy, improvement in lending criteria, analysis and identification of risk and establishment of appropriate oversight mechanisms.

Madam Speaker, since external financing has been needed as a major source of funding of the public sector investment programme, the primary concern of my Ministry has been the timely mobilization of a large quantum of concessional resources from international lending agencies.

In this respect, the support Trinidad and Tobago has secured from the Inter-American Development Bank is particularly noteworthy. Accumulated approvals from this source in respect of active loans currently total US \$447.8 million. Incremental lending from the IADB in 1992, has amounted to US \$31.5 million.

The programme is comprehensive and supports needed investment activities in the energy sector, primary education, credit to agriculture, housing and settlements, highway and access road construction and environmental rehabilitation.

Energies of the Ministry of Planning and Development have been directed, as well, Madam Speaker, to the co-ordination of efforts to complete the fulfilment of various policy commitments made within the context of the structural adjustment loan obtained from the World Bank in 1989. Completion of these actions will enable Trinidad and Tobago to access some \$170 million of resources available under the second tranche of the SAL and open up possibilities for accessing additional resources from multilateral lending institutions. Based on the outcome of a recent review mission from the World Bank, I am optimistic that the SAL second tranche resources should be released early in the coming year.

At the same time, Madam Speaker, a special effort has been mounted by the Ministry of Planning and Development during 1992 to accelerate access to,

concessionary resources available to Trinidad and Tobago under the Lomé Convention.

Encouraging progress has been made, to date, with respect to the structural adjustment facility featured under Lomé IV. It is projected that approximately TT \$50 million will be available from this source by way of financing to support social programmes in the new fiscal year. The 1993 budget proposals make appropriate provisions for these expenditures.

Madam Speaker, mindful of the need to speed up the approval process for developmental activity, earlier this year, Cabinet agreed to the appointment of a task force to advise on specific measures which might usefully be taken to achieve this objective. I am pleased to report that I have recently been furnished with a report of this task force and it should be taken to Cabinet shortly.

The approach recommended includes the introduction of a system whereby following the receipt of Outlined Planning Commission, development may proceed on the basis of certification by an appropriately registered professional that final plans conform with stipulated planning conditions.

In addition, Madam Speaker, internal arrangements have been made within the Town and Country Planning Division to facilitate expeditious processing of applications for the construction of single family residences and approved layouts. What we are trying to do is where you have an approved layout and you apply for a single family residence, to speed up that process and make approval available in a very short space of time.

Further progress has been made, Madam Speaker, in respect of computerization within the Town and Country Planning Division in order to improve operating efficiency. In this regard, I am very much aware that the division maintains the primary interface on an on-going basis between the Ministry and the public.

In the first half of this year, the total number of applications for planning permission received amounted to 3,112 of which 228 related to Tobago. Seventy per cent of the applications were determined within a period of eight weeks and roughly 89 per cent within 12 weeks. It is my hope, Madam Speaker, that even these rather high percentages can move up in the coming year as we seek to streamline the operations of the Town and Country Planning Division.

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The advance of computerization in 1992 involved the acquisition of additional equipment and the commencement of networking of the system in the Town and Country Planning Division. Significantly, in 1993, the linking of computer systems among regional offices should be finalized and the development of a geographic information system should be advanced by the planned acquisition of additional work stations for the Port of Spain and East offices.

Appropriate training is to be provided to staff to facilitate use of hardware and software.

Madam Speaker, I should mention at this juncture that substantive progress has already been made on the revision of the legislative framework for physical planning and developmental control. Assistance has been forthcoming from the United Nations Commission for Human Settlements and the Law Commission to aid the process.

A draft bill has been prepared and is undergoing further refinement by the Ministry of Planning and Development before its submission to Cabinet.

Of long-term significance, Madam Speaker, has been the completion of a major survey of the exclusive economic zone during the course of this year. The charter exercise was conducted at the eastern extremity of the nation's EEZ, some 2,000 nautical miles offshore. Approximately 8,000 square kilometres of ocean floor was surveyed and precisely charted using the latest technology. The survey has furnished information of the sub-floor strata and ocean floor material. This data will be of immense value to the country in managing the future development of our marine resources.

It is my Ministry's intention to formulate a systematic multi-year programme for the charting of the entire EEZ of this country. Of related significance is the expected delivery before the end of 1992 of three global positioning satellite receivers to be used in the densification extension of the survey control network. This is an important early step in the implementation of a comprehensive land information system. Receivers will be used to link all the hydrocarbon and other structures in the offshore and far offshore areas of the national survey framework, thus enhancing the management of our national marine resources.

Madam Speaker, this Government is very conscious that it is a matter of necessity and long-term national interest that high priority must be accorded to the

careful management and utilization of land resources in a small country such as ours.

Accordingly, and despite competing claims on our limited human resources, work on the review of the administration and distribution policy for land has been advanced under the guidance of a ministerial committee of which I am chairman. I am pleased to be able to indicate that the review exercise has now been completed and I expect to table shortly in this House, details of the revised policy and institutional arrangements.

Our attention has also been directed towards the revision of the legislation relating to compulsory acquisition of land for public purposes. Progress in this area has been substantial, as well. Draft legislation is now before Cabinet and will be brought to Parliament at the earliest opportunity. The new legislation shall treat comprehensively and in an enlightened manner with the procedure for acquisition of and assessment and payment of compensation to landowners for the loss of land so acquired.

12.20 p.m.

Madam Speaker, the importance of social considerations has not been overlooked. Currently underway is a survey of living standards which followed upon a pilot project completed with the resources of the technical assistance loan obtained from the World Bank. A full-scale survey approved by Cabinet in April, 1992 has been conducted by the Central Statistical Office in collaboration with the Ministry of Planning and Development and is now in the analysis stage. It is expected to provide a reliable body of data from which the improved targeting and design of delivery systems to strengthen the social safety net will be achieved.

The Public Sector Investment Programme remains one of the most potent instruments available to Government to seek to influence economic and social development. As such, it necessarily complements the policy reforms and other initiatives outlined in the *Medium Term Policy Framework*. Over the period 1993 to 1995, the Government proposes to spend approximately TT \$4.1 billion on such investment activity. This shall represent an average of five to six per cent of the gross domestic product. Of this aggregate, expenditure to be undertaken by state enterprise should account for almost two-fifths.

Madam Speaker, my ministry has been very concerned to impact upon the quality of allocative decisions regarding the Public Sector Investment Programme

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and the efficiency of its implementation. As a result, major emphasis has been placed on human resource development and systems improvement in respect of project cycle management.

During the course of 1992, implementation of the IDB finance project siting management technical corporation programme has proceeded very well. Roughly 60 persons throughout the Public Service, including statutory authorities, have completed training modules in project preparation, project appraisal, implementation and planning, environmental impact assessment and ex-post evaluation. Some 125 senior and middle level professionals have been exposed to a comprehensive programme of training in procurement and contract negotiations. This should result in a more efficient and cost-effective procurement of goods and services on Government projects and have a beneficial impact on operating efficiency through better arrangement for planned maintenance of equipment and transfer of technology. Ultimately as well, Madam Speaker, benefits are expected to arise with respect to minimization of cost overruns and delays in projects execution.

In order to ensure the continuity of this effort, nine middle and upper level managers have been trained as trainers in procurement and contract negotiations. The intention here is, having selected these people and trained them they will now go back to the line ministries and train people in the ministries to ensure that we have a system of project development, project appraisal and project implementation that satisfies the highest level of efficiency.

Further, Madam Speaker, in terms of systems improvement a new set of procedures have been developed for more rigorous preparation and screening of proposals. The system also defines the division of responsibilities between the executing agencies and the central agencies. Ancillary to these arrangements is the establishment of a computerized data base intended to facilitate improvements in project development as well as in management and monitoring of investment activities on a timely basis. The arrival of equipment and testing of this system is scheduled for January, 1993.

In this context, need is recognized for providing support to weaker line ministries in applying the requirements of the new system. Under the IDB funded programme for institutional strengthening it is proposed to provide support for all

aspects of project preparation and management through the assignment of appropriate consultants.

Over the next three years the thrust of the Public Sector Investment Programme will be consistent with the objective of facilitating growth in private enterprise development characterized by improved efficiency and greater participation in export markets. Complementing this emphasis would be a drive towards strengthening social infrastructure.

In the first phase of the triennium, some of the efforts must necessarily be directed at rehabilitation of existing capital stock adversely affected by inadequate maintenance over the last decade. However, where the need for strategic improvement and expansion of infrastructure has been identified as a likely prerequisite for investment growth, the programme will attempt to advance the provision of such infrastructure utilizing, where possible, more creative approaches than have been traditional. The three-year programme will be tabled in Parliament shortly and has been put together taking into account the likely availability of financing from all sources including internally generated funds. We have also been conscious of the need to strike an appropriate sectoral and regional balance, consider implementation capability and the state of preparation of various projects and programmes proposals.

Within the context of the three-year aggregate of \$4.1 billion planned expenditure on capital formation, it is projected that \$1.539 billion will be spent on enhancement of economic infrastructure including the road system, bridges, essential drainage and irrigation, port facilities and water and sewerage system. In the area of social infrastructure, capital expenditure over the triennium, 1993 to 1995, is projected at \$1.09 billion or 26 per cent of aggregate investment. Major allocation goes towards health, housing, education and social and community services. By comparison, investment in directly productive activity shall amount to roughly \$1.35 billion or 32 per cent of the programme. This is entirely dominated by the expenditure needed to complete implementation of the refinery modernization and secondary oil recovery project by 1995. Thereafter, investment in this activity should undergo a steady decline.

As far as fiscal 1993 is concerned, Madam Speaker, the total proposed public sector investment expenditure amounts to \$956 million. A major portion of this expenditure relates to the continuation of implementation of projects and

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programmes already commenced. Approximately \$80 million will however be spent on new projects, and an additional \$24 million on the development of the project pipeline through pre-investment studies, engineering design, etc. This pre-investment expenditure will further the development of programmes for tourism, road transport, technical and vocational education and urban development, among other things. Expenditure by the state-owned enterprises on major investment projects is projected at \$372 million in this fiscal year. Eighteen per cent or \$172 million of the programme is devoted to economic infrastructure and will finance water supply improvement, access roads and bridges and highway improvement.

It is to be noted, Madam Speaker, that in fiscal 1993 social infrastructure will receive an even larger share of the programme than economic infrastructure since we propose to spend \$327 million or 34 per cent of the aggregate allocation on the health sector, education, housing and settlements and social and community services. Approximately one-third of this expenditure shall be devoted to the provision of affordable housing and settlements for lower income groups in the society.

I will now, Madam Speaker, proceed to highlight, selectively, some of the major investment projects included in the programme for fiscal 1993 so that hon. Members might get an essential appreciation of its allocative focus.

Madam Speaker: Hon. Members, the sitting of this House is now suspended until 2.00 p.m.

12.30 p.m.: *Sitting suspended.*

2.05 p.m.: *Sitting resumed.*

Madam Speaker: The hon. Minister may continue at this time.

Hon. L. Saith: Madam Speaker, before we broke for lunch, I indicated that I would now proceed to highlight some of the major projects included in the public sector investment programme for fiscal 1993.

Under Health, Madam Speaker, the projected capital expenditure of \$87 million on the health sector in fiscal 1993 shall include continuation of work on the construction of the Arima Health facility (total cost, \$32 million) and major improvements to the San Fernando Hospital (total cost, \$54 million). The Arima Health facility should be completed in 1994 and will include 24-hour accident and emergency services, a 16-bed maternity unit, laboratory facilities, a pharmacy and a

physiotherapy department. The project is expected to be of significant benefit to an area of the country that has experienced very rapid population growth through housing development and demographic shifts in recent years. Likewise, the San Fernando Hospital Re-development project meets a dire need. Scheduled for completion in early 1995, the project will provide a new surgical suite with six operating theatres, an upgraded accident and emergency unit, out-patients' clinics, etc.

In addition, a further \$33 million is expected to be spent in 1993 on continuation of a programme of rehabilitation works at major health institutions throughout the country. The programme is being funded with locally mobilized resources and its implementation is being managed by NIPDEC on behalf of the Ministry of Health.

Under Education, capital expenditure amounting to \$45.7 million is planned for the Education Sector in 1993. This will facilitate upgrading of plant and equipment at the primary and secondary school levels. Under the IDB-financed Primary School Programme, following the completion of school construction, attention will now shift to the procurement of text and library books for some 300 Type A and C schools. In addition, furniture and equipment will be acquired for the Learning Resource Centre and the last 18 schools constructed. Expenditure of \$22.7 million is projected for these purposes.

In the area of Housing and Settlements, roughly \$104 million of capital expenditure is proposed for 1993. Of this sum, \$85 million has been projected for the continued implementation of the IDB financed Settlements and Squatter Regularization Programme. On-going infrastructure work at La Paille, Debe, Union Hall and Malabar Phase IV is included, while the commencement of shelter construction is scheduled for Bon Air West, Couva North and Harmony Hall. The new projects entail the provision of some 1,400 serviced lots.

Additionally, it is estimated that 2,500 squatter families will benefit from planned regularization of sites in 1993.

Facilitated by the anticipated access to the \$51 million EEC-funded Structural Adjustment Grant Facility in early 1993, the Government plans to push ahead with significant improvements in a variety of social and community services. Included among these is an augmentation of the aided Self-Help Programme which has been a cost-effective mechanism for bringing improvement in amenities to poorer communities. Other activities include: construction and rehabilitation of

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community centres, reversal of environmental degradation, provision of recreational facilities and amenities for the socially displaced.

An allocation of \$34 million is proposed for undertaking capital expenditure in the area of water and sewerage infrastructure. The implementation of the St. Patrick Water Supply project, assisted by EEC funding, will account for \$20 million of this expenditure. Physical works involve continuation of the laying of transmission mains and commencement of construction of storage tanks. Some 35,000 residents are expected to benefit from the project when completed.

In Tobago, implementation of the CDB-financed Interim Water Supply Programme is expected to advance with the expenditure of \$10.5 million on measures to stabilize and improve the water supply. I should mention that development of the necessary pre-investment studies for the Richmond Water Supply Project has been included among the slate of activities to be supported under a second Global Pre-Investment Programme which the IDB is expected to provide to this country shortly. Completion of the studies will clear the way for an approach to multilateral lenders for needed external financing for this project.

It is also anticipated that once we can effect a threshold level of improvements in the operational efficiency and viability of WASA, funding is likely to be quickly available for a Short-Term Programme of Action of WASA, including mains replacement, metering, institutional strengthening, etc.

The 1993 PSIP contains proposals for \$60 million of capital expenditure on Agriculture, Fisheries and Forestry. Of particular significance within the Programme is the planned commencement of a \$200 million programme of infrastructural improvements relating to access roads and bridges. The programme is supported by a recently approved loan of US \$31.5 million from the IDB. It is also planned to support the programme with the re-allocation of some resources available under the National Indicative Programmes of the Lomé Conventions. Construction and rehabilitation of 150 kilometres of roads and 30 bridges is expected to impact beneficially on agricultural production in selected areas of food production potential.

Attention to land tenure issues under the revised Administration and Distribution Policy for land mentioned earlier, the planned improvement of efficiency in the area of agricultural credit, and support projected under an

upcoming agricultural sector loan from the IDB should provide a significant boost to agricultural production over the medium term. It is also worth mentioning here that the 1993 PSIP includes provision for a soft-window programme to assist unemployed persons with training in agriculture to get started in farming. This follows up on suggestions made at the National Consultation on Employment.

Madam Speaker, during the coming fiscal year my Ministry proposes to include in its agenda the following matters which we regard as likely to contribute to the objectives which I have earlier outlined. The list is by no means exhaustive.

Continuation of negotiations with the Inter-American Development Bank for projects in the 1993 pipeline, namely:

Agricultural Sector Loan	US \$60 million
Micro Enterprises Programme	US \$5 million
Pre-Investment Programme	US \$6 million
Upgrading of Water and Sewerage System	US \$50 million
Investment Sector Loan	US \$100 million

Pursuit with the World Bank of the possibility of financial support for the development of a second major industrial estate at La Brea/Brighton;

- Acceleration of the work towards establishment of an Environmental Management Agency during 1993, overcoming the slippage which we have experienced during 1992 on this matter;
- Bringing to Parliament as quickly as possible legislative reform in respect of:
 - Land Acquisition
 - Town and Country Planning
 - Other land legislation including the Land Adjudication Act, Land Registration Act,
 - Land Tribunal Act and Land Surveyors Act;
- Establishment of an Urban Development Authority;

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- Securing support for a short-term programme of intervention at WASA, including mains replacement activity;
- Advancement of a Forestry and Environmental Management operation to be funded by the World Bank;
- Accelerating access to the remaining \$150 million concessional resources under the Lomé Conventions National Indicative Programmes; and
- Institutional strengthening within the Ministry of Planning and Development itself.

Madam Speaker, before I close, I merely wish to indicate to this honourable House that in listening to the contribution of the honourable Member for Couva North, the hon. Leader of the Opposition, this morning, he sought to link, by innuendo, the firm in which I worked—and where I was the Managing Director from 1971 to December 17, 1991, to corrupt practices. I propose before this debate in this honourable House is completed, to make a comprehensive statement on the matter and to give a personal explanation.

Madam Speaker, in my presentation I have sought to clarify some of the key aspects of Government's overall approach and strategy to economic and social management as well as to provide an account of the diverse roles which my Ministry has been playing in advancing national objectives. There is no doubt that as a country we face many difficulties and challenges at this time, but I am justifiably confident that we have the vision and the resolution to hurdle them and, supported by the enduring good sense of the population, as amply demonstrated by the results of the 1991 General Elections and the 1992 Local Government elections, we shall prevail in the quest for a better Trinidad and Tobago. Thank you.

Mr. Palackdharrysingh: You must face the polls next time.

2.15 p.m.

Mr. Trevor Sudama (*Oropouche*): Madam Speaker, as I begin this 1993 Budget debate, I have to respond initially to the hon. Minister in charge of Planning and Development. There are two comments I want to make but I cannot spend too much time on him, simply because he is what I call a ministerial technocrat. He comes here and gives what is virtually a press conference to the Parliament. The only problem is that in a press conference we can question the giver of information. In this case, we cannot.

Madam Speaker, he started off by talking about how wild charges of corruption have been laid in this House, unsupported and so on. When I heard the comments of a previous chairman of the PNM party, he spoke in the same vein. Wild charges of corruption. Unfortunately, that gentleman is no longer here—he is residing elsewhere—to give an account of his stewardship of the chairmanship of the PNM party and his allocation of the gravy. *[Interruption]* My stewardship will, in time, be dealt with. Your own general secretary, how do you relate to him? Do you relate to him? A chap by the name of Nello Mitchell?

Madam Speaker: Will the hon. Member proceed with the debate, please.

Mr. Sudama: Madam Speaker, the Prime Minister of this country, a man who is so engrossed in irrelevance; the very picture of irrelevance—

Madam Speaker: When I said order, I meant order on both sides.

Mr. Sudama: He should behave himself and carry on with a degree of parliamentary decorum, which we come to associate with leaders of government.

Madam Speaker, the chairman of the PNM party has followed in the tradition of previous chairmen of the PNM and should be conscious of the history of the performance of previous chairmen of PNM party and their involvement in government. That is all I want to say at this point in time.

The Minister of Planning and Development then went on to say that he was involved and in charge of the national development process. When I look at the hon. Minister and I see who is in charge of this national development process, I understand that Trinidad and Tobago cannot ever develop under that Minister. He is telling this House that he will speed up the developmental activity in Trinidad and Tobago. The last thing I associate the hon. Minister with is speed, let alone development. What I want to ask is: what is actually being developed in this country? What actually is being developed in Trinidad and Tobago under his first year of stewardship in the Ministry of Planning and Development?

He then went on to talk about the *Medium Term Policy Framework* which will carry this country forward. This medium term policy framework has been devised by foreigners, had very little local input and has been based on a statistical illusion. I see rates of growth included in it. What is the rationale and basis for arriving at these figures? Nobody can tell.

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My own view is that this medium-term policy framework should have been the subject of a separate debate in this Parliament—I do not have the time to pursue that in the course of our debate here—to outline the inconsistencies, fallacies and inadequacies which have gone into the making of this *Medium Term Policy Framework*, which I understand, is to take this country forward.

Madam Speaker, if it has not been foreign consultants, it has been the IADB, the IMF or the World Bank, that have come here and dictated to them, what to put in the *Medium Term Policy Framework* in order to adhere to the conditionalities and fiscal measures of these multilateral institutions.

The Minister then spoke about the Agricultural Development Bank, and its place in agricultural development. I think the PNM should be the last to talk about agricultural development in Trinidad and Tobago. I have been having difficulties with the operations of that bank, as it affects farmers in the Oropouche constituency. I merely wish to ask the Minister: Who is really in charge of the Agricultural Development Bank? What criteria are used in assessing loan applications? How are these loans managed? Are those who are in charge appreciative of the difficulties farmers face in this day and age? Has it ever crossed the minds of those in the PNM that because of the hazardous nature of farming, the question of crop insurance should be looked into? They are not concerned, and they will never be concerned.

The Minister then went on to talk about a lot of task forces and surveys being done with regard to our land and marine resources and other areas. Surveys and task forces galore. What do these surveys, task forces and the recommendations amount to? We have had thousands of them since the PNM came into office. What have been the results of their recommendations? What has been implemented? That gives you an idea of how far this developmental process is going under the hon. Minister; where we hope to arrive. Then he spoke about the Public Sector Investment Programme.

Madam Speaker, we have a copy of this Public Sector Investment Programme and we have read it. The Minister need not have wasted parliamentary time to regurgitate the same thing that has been in our possession. He merely could have referred to it. This Public Sector Investment Programme is an *ad hoc* document. It has no integrated perspective of how it is going to allocate investment expenditure

in order to affect all areas of the economy in a comprehensive development thrust. It has no integrational aspect to it.

He talked about this Public Sector Investment Programme having sectoral and regional balances. They have had these programmes for years and years, under the PNM, and do we today have sectoral and regional balance in the economy; a matter which I raised from time to time in this House and elsewhere? How much money, for example, do you spend in the constituency of Oropouche to deal with agricultural infrastructure? He talks about sectoral and regional balance. Maybe it is because Oropouche has never voted PNM, and never will.

Madam Speaker, as I said, I do not want to spend too much time on this Minister and his presentation. In fact, if I knew that is what he was going to say, I probably would not have given way, but as a man steeped in good parliamentary tradition, I thought I would give way and accommodate the hon. Minister, who has said nothing more than he did before. He was unable to articulate any developmental thrust or any rationale for it. He merely came here to give a report and talk about numbers and statistics, all based on this airy-fairy notion of what they conceive to be development.

Madam Speaker, let me deal with this 1993 budget. The 1993 budget is, in my view, in the nature of an anti-climax. The framework within which it was conceived, was known before hand. That is, the *Medium Term Policy Framework*, such as it was.

2.25 p.m.

Members of this Parliament were not privy to the details and specifics of the budget prior to the presentation in this House. That was a privilege that seemed to have been reserved for journalists in the *Express*. I am not complaining because after all, if that is the way we are going to have information provided to the country, it merely goes to show you their attitude toward Parliament in this country.

It is not by accident that when I picked up a copy of the *Express* newspaper, dated Friday, November 20, 1992, I could see things which were anticipated in the budget. As I said, if they were anticipated in general terms, I have no problem. LPG going up; VAT Office to widen net. This really was not anticipated, but when I saw the specific "Airport Exit Tax Going Up \$75.00 from \$50.00, somebody knew

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about this budget before its presentation to the House, other than the Members of the Government. How else could it have appeared in the *Express* with such specificity? This is the Westminster system we have in effect, yet you have the contents of a budget leaked to the press well before its presentation to the House. I have no problem with that, as I said, it merely goes to show you what they think of Parliament.

When the Minister gets up in this House to talk about responsibility to Parliament, I can only concede that is a statement which is gratuitously brazen and unfounded. This budget has been based on pious hope, blind faith and much wishful thinking. All the Government has to do is to maintain balance in the fiscal and external account, and all good things will follow.

There is blind faith in private sector initiative to usher in sustained growth and durable employment opportunities; there is the wishful thinking that once bureaucratic and legal impediments are removed, a flood of investment would irresistibly inundate the economy. As I said, it is a budget of pious hope, blind faith, wishful thinking and nothing more. It is a non-interventionist budget that emphatically demarcates the boundaries for Government's involvement and leaves the rest to the free interplay of market force, and private initiative to provide the impetus for development.

It is a budget engrossed with macro variables and statistics, oblivious of the dynamics of production in exchange at the micro level. If I may propose some advice to the Minister of Finance—who is not here. He had more urgent business to look into than being in this House today. I will advise him: Seek ye first the establishment of productive and purposeful interaction and relationships at the micro level, and positive macro variables and all else will be added onto you.

It is a budget long in generalities, but short on specifics. The picture it presents is full of gaps, omissions and gaping holes. It is also a budget of meticulous arithmetic and accounting exactitude. How else could you have a budget of no surplus and deficit? It is founded on the rigour of statistical balance, but the values are arbitrarily determined and the numbers are of questionable derivation.

While the PNM in opposition had accused the previous regime of myopic vision and a dollars and cents mentality, this PNM Government has improved on that. It has become an administration of dollars, with absolutely no sense. This is a budget of neutrality, whether it is the neutrality of the overall fiscal balance, or the

neutrality of government initiative. It seems to take a neutral position in the socio-political structure in Trinidad and Tobago.

It seeks to proceed from stabilization to growth, but with the engine of the economy firmly placed in neutral gear, making stuttering noises, but incapable of moving forward. It seems that with its obsession with downward adjustment, and tight monetary and fiscal control, the Government has permanently adjusted its sight and thinking to lower levels of investment, production, trade and consumption. Indeed, we have found ourselves in a state of permanent stabilization, to a lower standard of living and reduced welfare, for the vast majority of our citizens.

Let us look at the contents and prescriptions of the 1993 budget, such as they are. We must first pick up the story with the performance of the economy in 1992. The 1993 budget speech contained a superficial and cursory view of that performance. It did say that the loss of reserves at the beginning of the year determined fiscal and monetary policy during 1992. I shall not go into why the loss of reserves occurred. The Leader of the Opposition adequately dealt with the injudicious statement of the Prime Minister in that regard.

How did the speculation come about? The Prime Minister and Member for San Fernando East delved into matters about which he knows very little. He was talking about floating rates of exchange, following the pattern, auctioning the Trinidad and Tobago dollar. It is an area in which he has little competence, if any, and he proceeds as head of a government to make those statements.

The three major factors which were held responsible for the weak performance of the economy in 1992, stated in the budget speech were the policy of tight liquidity by the Central Bank which resulted in high interest rates, reduced credit availability to individuals and businesses and, therefore, reduced investment. Then you had strict control of governmental expenditure and lower output in the petroleum sector.

The question I want to ask the Minister of Finance is: Are these conditions likely to prevail in 1993? His whole budget speech was about tight liquidity, Central Bank control, credit restriction, control of government expenditure and weakness in the petroleum sector. If these conditions are likely to prevail in 1993, what will be the prospects for growth? It is a simple, logical question. Growth in

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1992 is likely to be 0.2 per cent. What will be the prospects of growth in 1993, 0.1 per cent, or are we going to have a neutral growth?

There was an admission that unemployment had increased to 20.2 per cent. This is an understatement, given the fact that there are so many people underemployed in Trinidad and Tobago and many people who have not been accounted for in that figure, despite the fact that we were maintaining a sizeable LID Programme in Trinidad and Tobago. In spite of all this, unemployment went up.

There is a curious statement of objectives on page 7 of the 1992 budget. One of the objectives was a significant and durable reduction of unemployment. By the time we reached the policy framework, that had been changed.

2.35 p.m.

I believe, in the meantime, what happened is that the PNM found an employment generator, in 1992. They were going to reduce unemployment when they presented their 1992 budget and, at the end of 1993, they are going to generate employment. I want to know whether, just like you generate electricity, they have found some way to generate employment in Trinidad and Tobago.

When we look at the revenue side of the fiscal account for 1993—and this is contained in the *Draft Estimates of Revenue, 1993*—what do we see? We see estimates which, when compared to the 1992 Revised Estimates, show that this Government is increasing its estimates for more revenue. We see taxes on property being increased; we see them budgeting for increased taxes on goods and services; we see taxes on international trade being budgeted for, and we see an increase in budgeting for property income and other non-tax revenue. I imagine that on property income it will be the proceeds of divestment of state enterprises. It does not say so there, but that is the assumption.

The Minister indicated that there was a shortfall of over \$300 million in terms of revenue estimated for 1993 and what was actually received in revenues. What guarantee do we have that for the 1992 budget, we will not see a similar shortfall? That is why I say that this is a budget of wishful thinking. What they are doing is telling this country that increased revenue from VAT in 1993 will be \$129 million. It fell by \$300 million this year, but next year it will increase by \$129 million. There will be an additional \$50 million from improved efficiency of customs and excise administration. There will be an additional \$80 million from collecting

arrears on property tax, and the reassessment of existing properties will bring another \$40 million.

In total, the Government is telling the country, that it will get additional revenues of \$299 million, over and above the revised estimates for 1992. What is the reality? What are the assumptions and the consequences of that? If these amounts are not realized, what will the consequences be? Will there in fact be a surplus of \$604 million under the recurrent account? Is that realistic? Will we be able to meet the target of \$991 million estimated to be spent in 1993? Will that capital expenditure figure suffer if we do not get these estimated additional revenues? Then, of course, what would happen to the financial assistance, if any, given to the operation of the public utilities.

The Government seems to give the impression that there are few additional taxes levied on citizens in this country. The hidden taxes in the budget really, will be the increase in the utility rates across the board, the increase in property taxes and all the other increases which will come in train when all these various utilities increase their rates to their consumers. That is where the crunch will come. So that the people of this country have to be prepared to face enormously increased rates for the utilities in 1993.

There was this question of borrowing from foreign and local sources. I just wanted to ask the Minister of Finance whether this is what foreign borrowing is to be used for. On page 56—I want to quote this budget speech—he says:

"However, given external amortization of \$991.3 million and the need to amortize \$64.7 million of domestic debt, Government intends to source \$1,202.3 billion on the foreign market and \$264.7 million locally which will allow the Government to retire \$411 million of Central Bank financing".

In other words, what they are going to do, and it sounds to me rather preposterous, is to borrow money overseas, incur additional foreign debt to the tune of US \$260 million in 1993, in order to retire Central Bank financing. I want to ask the question, "Is the retiring of Central Bank financing through foreign borrowing seen as a priority for this Government?" They will have to state so.

Then we had Minister Mottley making a statement—and I cannot understand the relevance of that—on the issue of foreign borrowing, which further compounds and confuses the issue of foreign borrowing and its application. He states:

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"Importantly, all new borrowings, whether project related or foreign borrowing have to be tied to productively increasing initiatives which raise the country's capacity to earn foreign exchange."

In that context, I want to know how this US \$100 million Eurobond issue which has been received, will be applied and if it conforms to the guidelines indicated in his statement.

Madam Speaker, the budget also spoke about the developments in the world economy, the worsening terms of trade of oil-exporting countries, the formation of trading blocs, decreased capital flows to developing countries, recession in major industrialized countries and less buoyant markets overseas. In spite of all this, our strategy will be an export-led strategy because we must develop strategies to deal with these developments. What are the strategies in the budget? He is going to employ lobbyists and give tax benefits for investment in venture capital companies in export-oriented enterprises.

I think that issue has been sufficiently dealt with this morning in the contribution by the Member for Couva North to show how the PNM Government is totally divorced from reality. They want to assist venture capital through an export market, to achieve a foothold in an export market when, at the same time we are pursuing trade liberalization policies that are going to emasculate the market locally of locally established manufacturers who, on the basis of their foothold in the local market, could have some advantage in trying to access the foreign market.

We must ask the question: Is the export-led thrust the only way to achieve growth and create employment opportunities? This is placing a heavy reliance on the private sector and primarily the local private sector. The question we have to ask is whether the infrastructure is in place. The question of mobilizing investment by the local private sector, the question of technological capacity with scales, its access to training and expertise, its market penetration capacity—are these in place? Does the local private sector have that capacity?

2.45 p.m.

Because if it does not have that capacity, then their reliance is misplaced and their whole budget statement and thrust has absolutely no relevance at all.

I want to ask the Minister of Planning and Development whether any analysis has been done of the local private sector on which basis Government policy in the

area of incentives and infrastructure could be founded. Do we know what are the strengths, confidences, inadequacies and the possibilities of the local private sector? Whether there is and to what extent there is, in fact, a need for general and/or for specific stimulus for the local private sector and in what area?

However, in the absence of making an analysis, they are coming here to rely for their developmental thrust, on the growth of the private sector fully in conformity with directives coming from Washington and elsewhere.

Madam Speaker, this question of devising a policy for the local private sector must be done in the context of an industrial policy for Trinidad and Tobago. Do we have an industrial policy? In my view, we have none.

I must say that we subscribe to the view that the private sector is important and must contribute significantly to the growth of the economy, but there is a crying need for a more vigorous and specifically targeted policy with respect to the initiatives of the private sector that it can take in Trinidad and Tobago.

On this topic, Madam Speaker, I merely want to quote the experience of countries which have a proper industrial policy, the contents of that industrial policy and whether we have looked at this problem in this light in Trinidad and Tobago. We have always been told that the Far East countries are a model. Let me quote from the *Express* of Friday, August 28, 1991. The article states that:

"...attempts by the US Government and multilateral aid agencies to present the newly industrialised countries as models for export-led development without trade protection or industrial policy, were invalid.

Industrial policies cited by Smith included special tax and utility breaks for successful exporters, establishment of individual company export targets, domestic content regulations, government co-ordination of foreign licensing agreements, sanctioned monopoly rights for domestic firms in targeted industries and government organization of campaigns to upgrade technology."

All this has been done in those countries in which the private sector, in fact, has led and been involved in an export-led growth. What do we have in Trinidad and Tobago? Absolutely no policy but merely, as I said, wishful thinking.

Madam Speaker, there is a contradiction of Government policy when it comes to the development of small business. Many small businesses in Trinidad and

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Tobago are on the brink of collapse. We do not know whether they will survive. They have been subjected to high interest rates now in this budget, to business levy on gross sales, which is indiscriminate and is applied on the basis of gross sales, whether you are making profit or not. They will be subject to higher utility rates and other rates next year and I have already in this House spoken about the unconscionable increase in the WASA rates as they apply to small businesses in this country that have to pay \$474 per month for water rates as a minimum, as a result of which most of them will go bankrupt or out of business.

So what the Government is doing is on the one hand it says it is relying on the private sector; on the other hand, it is involved in the bankruptcy of small business and an increase of unemployment in Trinidad and Tobago.

Madam Speaker, there is a case in point of a small business right here on Frederick Street which is in the food business. I just had lunch there today and it is called the Steak and Ale. When you consider the fate of the proprietor of that business, you will understand what I mean. He is a symbol of what is happening to private business in Trinidad and Tobago. He has now become bankrupt. He says his business has to be sold, it is being foreclosed because of rising interest rates and other costs; because of the fact that while he had all the credentials to get into the School Feeding Programme, he was denied it; because of the fact that the police put pressure on him and that he could not get a licence to sell liquor. All this has been happening. He is subjected to all this when I understand he was a sympathizer and supporter of the PNM and provided free lunches for the PNM during their days in Opposition and even gave contributions to the PNM party. All this is happening to him and yet he was...

Mr. Valley: Madam Speaker, I do not know what the implications are, but there are a number of persons who supported the PNM, but I do not know what he is trying to say. The PNM governs equally. The fact that one makes a contribution to the PNM in whatever way does not provide any benefit to the individual.

Mr. Sudama: Madam Speaker, the point I am trying to make is that they are destroying small business in this country by their policies, even those businesses which are sympathetic to them and from whom they gained free lunches. That is the point I am trying to make.

Mr. Valley: Madam Speaker, let me repeat: There are no free lunches, I do not know of anyone who got free lunches from Steak and Ale.

Mr. Sudama: Madam Speaker, that is true. There are no free lunches because the proprietor of Steak and Ale is now paying for the free lunches he provided to the PNM.

I understand that the fellow cannot even raise the money to buy a ticket to go back to Syria, from whence he came. This is the PNM in action; taking part in the destruction of small business, yet they come here to talk about how private sector—

Mr. Valley: Did you pay for your lunch today?

Mr. Sudama: Today, Madam Speaker, there was no free lunch; I paid for my lunch. The fellow has no avenue to express his gross disappointment and he chose a Member of the Opposition to do so.

Then there is the whole question of the Government's focus on the creation of employment opportunities. All they could think about, Madam Speaker, is the construction sector, which includes LIDP and tourism; except when they want to come here and just speak words. The construction sector, as we have said time and time again, does not create permanent employment, it is a temporary thing. When you build the prison in Golden Grove, what is the permanence to that employment?

The Minister is so concerned about protecting the foreign reserves. I want to ask him, when they spend money on this kind of construction, does it not, in fact, result in the loss of foreign reserves and, therefore, have a negative consequence in this country?

All I can say is that the PNM does not understand what it is doing. On the one hand, they want to curtail government expenditure because they want to conserve reserves, on the other hand, they are spending it on construction, non-permanent employment, but a construction of a kind which does not add anything to the economy of Trinidad and Tobago. What are they doing?

Madam Speaker, then they say that they are willing to rely on construction and tourism to create employment. But the Minister has not mentioned one project on which this great thrust in tourism will bring unemployment relief for the people of Trinidad and Tobago. As I said, it is a budget based on an illusion.

We hear talk from time to time about the savings ratio and its implications for investment. Everyone who has a little knowledge of economic development agrees

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that the savings ratio, as a proportion of the gross development programme, is a key indicator whether we can mobilize the resources internally in order for us to get the wherewithal for investment.

In all countries which have developed properly, the reliance has been on the domestic savings as the larger portion on which to mobilize for investment purposes. The foreign savings which are accessed merely remain incidental to that development process.

Now, Madam Speaker, all this is known. When we look at the *Medium Term Policy Framework*, on page 15, we see that the projection is that a savings ratio will increase from under 10 per cent in 1992, to over 15 per cent in 1995. How exactly are they going to do it? Again, I say, wishful thinking. All they do is pull figures in this *Medium Term Economic Framework* out of a hat; no reason, rationale or foundation for these figures in order to tell this country, well, we have an economic framework, we have a medium-term framework. That is their only concern.

Madam Speaker, furthermore, if we are going to have a realistic rate of growth founded on the organization of local savings, we have to reach a ratio of 25 per cent. Under this PNM regime, 25 per cent, with the attitude which it has fostered over 30 years, that, Madam Speaker is a pipe dream.

Let me quote the Deputy Governor of the Central Bank on this matter. He said that:

"While higher interest rates will, at the margin, increase savings, the savings rate is more fundamentally influenced by the kinds of attitudes and values that we embrace towards consumption."

What attitudes and values has this Government, in all its 31 years, put forward or tried to influence this population with? It has always been consumption and over-consumption and all their actions over the 31 years have been in that area. Yet, today, they come and talk about increasing the savings ratio. They are totally divorced from reality.

We are not told who can save and in what amounts. Has there been a profile of incomes done in Trinidad and Tobago to give an idea of where, whom and what incomes we should target? Because the unemployed cannot save; those under the poverty line cannot save—they have to get more income just to meet their basic

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needs; the middle classes in this country who have been pauperized under both the PNM and the NAR, can they save? Who can save in Trinidad and Tobago?

Madam Speaker, sometimes I thought it was pointless talking in this budget because of the total "unreality" of this document presented to us. It has no bearing to what is going on in Trinidad and Tobago today.

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

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

Question put and agreed to.

Mr. Sudama: Madam Speaker, the divestment policy, we are told, is important for the economy and savings and conditions for growth. What we have with this divestment policy of the PNM is a gross contradiction when we look at statements made by Members on the other side. Who are the targeted purchasers; are they foreigners or locals? When I look at the Prime Minister's statement way back in 1988, let us hear what the Member for San Fernando East said:

"Manning noted that the Opposition has sought to obtain in Parliament a clear articulation of the Government's divestment policy which would involve selling shares in state enterprises to citizens of Trinidad and Tobago. He warned, however, that this was not the time to divest because economic circumstances in the country do not now permit the widest possible ownership of these shares. Only those who have would be able to buy shares and this would mean social retrogression of the worst kind, reversing many years of progress in social equalization.

He added that what the Opposition feared most was that the Government was divesting simply to get cash to run its everyday affairs which would eventually leave the nation worse off than ever."

This is what the Prime Minister said. Then we have the Minister of Finance saying that we have to divest in order to pay off our foreign debts. But if we have to divest in order to pay off our foreign debts, it means that we have to sell to foreigners to get the foreign exchange. Madam Speaker, that is the Minister of Finance's statement. We cannot sell to foreigners and have the widest possible participation of the local citizens in the state enterprises which we are going to sell out. It is a contradiction.

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Which enterprises will be divested? Here is what the Minister in the Ministry of Finance had to say:

"Valley said the PNM's divestment policy would 'emphasize the widest distribution of any public offering of state company shares.' While he offered no examples of what state-owned companies could be divested, he ruled out BWIA, oil enterprises, T&TEC, WASA and PTSC because of their 'strategic importance' and because they provide a major social service".

I say no more. So today they are divesting major oil enterprises, they want to divest other enterprises in the energy sector and so on, but that was ruled out in the Minister's statement. I want to really ask this Government today, what is their divestment policy? Tell us.

Then there is the other question: how will the value of the shares of the enterprises which are going to be sold, be determined? Here is an opportunity for enormous corruption. The Trinidad and Tobago public has made an enormous investment in these enterprises. They have certain values. What benefits would the public receive? Or will these state enterprises be given away in this divestment exercise, given away, and those who make the deals will, in fact, be the only ones who benefit under the divestment exercise now engaged? We have a right to know.

For example, we want this whole exercise to be transparent. Madam Speaker, we have the case of Fertrin. We have their '89 accounts, the last accounts we have as presented to this House. Fertrin has assets close to \$671 million. It is going to be sold. How are they going to value these assets? Are they going to determine a selling price based on a discounted earning stream of earning in the future? How are they going to do it? What prices are they going to put? Who would buy and would some people have advanced knowledge of the pricing and advanced options to buy? We do not know. Given the history of corruption in the PNM, I suspect that something is amiss.

Now, Madam Speaker, the energy sector. We are told that it is the foremost sector and primary reliance is placed on the energy sector to achieve growth. The first thing we have to say on that is that the policy is shrouded in secrecy. We have been promised a white paper since January of 1991. There is no white paper laid before Parliament and, Madam Speaker, I am in no position to tell this country what is going on in the energy sector in any specific detail because we simply do not know. But the fact that they hide information from the public and the

Parliament is for a specific area that they want to manipulate. They want to manipulate the energy sector in a way that would favour themselves and their friends. That is the only conclusion I could come to.

Now, let us look at the gas reserves. What is the total picture of the gas reserves? We do not know and I cannot hazard a guess. What are the prospects for exploitation in utilization and do we have firm policies in place to deal with that? There is an agreement with the Enron Oil and Gas Company of the United States. There is another view expressed about that venture being too costly, that it will not redound to the benefit of Trinidad and Tobago in the future; that that company has decided to sell gas to the National Gas Company at a certain figure which is totally unrealistic. On what basis has Enron come into this country? We do not know. All we know is an agreement has been signed.

Furthermore, the Minister of Energy said in this House that Trintomar fails, simply because the reserves are not there. They said reserves were there, when they went into it, they had high rates of return. He said the results are not there. What guarantee do we have that the reserves are there now and on what basis has this company got into the complete picture? What is there that this country does not know, is what we are asking?

Madam Speaker, what local benefit is derived and how much from foreign investment in the energy sector? I want to quote a letter which I received about foreign companies contracted by Amoco and how they exclude local personnel from employment in that company.

Madam Speaker, this is Amoco and Amoco behaves as if it runs Trinidad and Tobago, which, in fact, it does. There is a company here which is called "Faipem". They are coming here, contracted by Amoco, but they use an Italian dive company and they exclude local companies and personnel:

"Amoco has awarded a contract to a non-registered company who has subsequently registered, applied for and received 16 work permits which were granted in record time without any prior advertisement appearing in the media."

Now, is there collusion between Amoco and the Government in this, Madam Speaker?

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"Amoco's building manager, Mr. Randy Pruitt, at a job-site meeting of local contractors made it clear that contractors would soon discover who had political power in this country and who did not."

Certainly, Amoco has—

"Henry Roveillo, manager of construction is imposing his own brand of regulations on contractors. These regulations are not documented for contractors to follow and appear to be more stringent than North Sea and Gulf of Mexico operations."

Madam Speaker, this is what is happening in Trinidad and Tobago under the PNM regime and they come here to tell us that they support private local initiative; they are in favour of local employment, creating employment opportunities here in Trinidad.

Madam Speaker, what we have seen so far in the energy sector is a continuation of the old policies we have been accustomed to. It remains the mainstay of the economy. It monopolizes the volume of investment in the public sector investment programme. It will have little effect on creating greater employment opportunities in this country. It may result in some growth. It may increase in little measure the foreign exchange earnings of this country. It may enable us to import a little more, but the economic landscape will remain pretty much the same. No change, business as usual under the PNM in 1993.

Madam Speaker, our own perspective on growth, diversification and development takes into account the larger picture and goes to the very root of what constitutes development. I want to quote an economic historian who said:

"The first requisite of increased wealth is a society of the kind required to produce it."

Madam Speaker, we must have, as I said, a comprehensive perspective and it is not only a question of economics. There must be created the proper attitudes, motivation, propensities, skills, expertise, consumption, work habits and institutions. We must have an advanced and proper outlook of those in authority. They must have a vision of what is required to produce wealth; in other words, to create production in the society.

My own vision is that of a people having a productive relationship in all spheres of the economy with the resources available to them to create goods and

services which satisfy a need in the society; a people mobilized to fully utilize what we have available, maximizing the benefits from such activities, exercising initiative, creativity and acquiring skills and expertise and in the process, producing wealth. That is how wealth is produced and has a wider distribution and affects all areas and sectors of the society.

So that, Madam Speaker, it requires a whole new orientation and a jettisoning of the mind-set created by 31 years of PNM rule.

We must expand the productive base in all sectors of the economy, inducing linkages between sectors, using local inputs as far as possible, getting into positive initiatives for the refinement of by-products and adding value to these; establishing a harmonious and productive relationship between our patterns of consumption and our local production inputs. Only in this way can the economy achieve greater resilience, internal dynamic and self-sustainable growth.

There is no other way, Madam Speaker. I say this because I see, after 31 years, the PNM still does not have a clue of what is required and they have no vision for this country.

3.15 p.m.

Madam Speaker, central to this way of thinking is the diversification of the economy of Trinidad and Tobago. Central to that diversification given our resource capability is the agricultural sector. I do not want to go into that in great detail—my friend from Caroni East will handle that—but if you are going to diversify, then you diversify with the resources you have available.

Agriculture has been an area of neglect by the PNM government; until today it is less than three per cent of the gross domestic product. That did not come about by accident. I wrote the Minister of Agriculture, Land and Marine Resources a letter since October—he is not here in the House today—asking him to come into the constituency of Oropouche which is an agricultural area, to look at the problems faced by farmers particularly with respect to infrastructure which they need in order to increase their production. Over a month has elapsed and the Minister has not got the courtesy even to respond to the Member for Oropouche, a representative of the people. asking him to do something which is his job. That is their attitude but they want to diversify the economy after 31 years.

I just want to give a few examples, after all the platitudes on diversification and so on we have had for the longest while. First of all, if you want to diversify you

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must have a spread of investment and a balance of investment over those sectors of the economy which can contribute to this diversification effort.

I shall just quote this article merely to give you an example of what is possible if we had a serious Government. We have had a sugar industry here for the longest while. They want to diversify; they want to create more added value. Let me just tell them what some of the possibilities are—and they know this because they belong to this grouping. I quote from the *Express* of August 21, 1991:

"A Caribbean sugar researcher has said cane sugar producing countries have wide scope to diversify the industry and increase its profitability in the face of weak world price trends.

'This strategy, more than an economic alternative, must be considered as a productive complement that will permit a more profitable exploitation of sugar cane and a reduced dependency on the commercialisation of one product alone.'

A hectare of cane can produce 100 tonnes of green renewable material annually, or twice the agricultural yield of any other crop, he wrote in a recent Latin American Caribbean bulletin."

"From the sugar cane harvest and its industrial processing, it is possible to obtain products and by-products that in turn become raw materials for the chemical and biochemical industry, which can be transformed in over 100 products with commercial value."

"The wide range of commercially valuable and useful substances can be derived from cane materials through chemical, biological, mechanical or heat processes."

"Development strategies for derivatives should consider technological production, and international demand and price conditions to arrive at 'the greatest possible diversity of products with the highest added value' based on sugar and the intermediate products of the sugar process."

"'Strategic criteria' include maximum exploitation of sugar cane and by-products, integration of technological designs increasing energy efficiency, flexibility of the production scale and export creation or import substitution."

They have been in control of the sugar industry since 1975 or before. They have no initiative, except to come to this House to tell the country how big a drain the sugar industry is on the public purse.

They have not got a clue. They are totally moribund in their thinking as to what ought to be done for development in Trinidad and Tobago. I do not want to talk about that. Last year in my contribution to the budget debate, I spoke about possibilities—not all of them may be possible—in the petroleum sector and using the by-products there. You want to diversify. You want to create a dynamic, resilient, self-sustaining economy, you can do things. But since you are incapable of thinking; since you have been in this process of just running a country in which all you want to do is make some deals, keep some people happy in order that you may get back into power—that is all your concern. Not the true development of Trinidad and Tobago. If after 31 years you could not advance, you are not going to make any advances in 1993.

I have spoken of some of the possibilities for investment in downstream industries in the petroleum sector. I do not want to get into that at this point in time because it might take up a little of my time. But on this issue of diversification they had many opportunities in Trinidad and Tobago. For a small country, this country has been blessed with a fair amount of resources which could have been developed to the advantage of all our people. Those opportunities have been missed; they have been foregone and today we are, in 1992, talking about tourism as a basis of development; construction as a basis of job-creation. We are talking today about areas of little benefit, in the medium and long term, to get this country to develop.

Madam Speaker, before I close, I want to do two things: to highlight how investment choices could have been made differently if you were seriously thinking about diversification and growth and development. I want to compare investment in Fertrin and investment in Caroni Limited and the choices involved for diversification and utilization of our own resources.

In 1978, we established Fertrin at an initial investment of TT \$840 million. The foreign component of that was 85 per cent or US \$300 million and that was for one specific plant. In 1975, we purchased Caroni Limited from Tate and Lyle for, I understand, \$10 million but in exchange what we got was 79,000 acres of land—a lot of it being very arable land—equipment, factories, agricultural expertise and so on. Fertrin employs 306 persons. Caroni Limited employs between 7,000 and

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8,500 persons. Fertrin has made a loss every year except two years. Accumulated losses at the end of 1989 were \$306 million. Since its takeover, Caroni Limited has made a profit only two years and the losses have been of a higher order, amounting, I understand, to under \$2 billion. But the losses have been made because the Government was supporting the operations of Caroni Limited without any change, without using Caroni Limited as a resource for diversification of the economy of Trinidad and Tobago and getting a larger share of the GDP being accounted for by agriculture. Fertrin's foreign exchange earnings are about US \$70 million per year. Caroni Limited's foreign exchange earnings are about US \$30 million per year. Fertrin is heavily indebted to foreign lenders and it is a drain on the foreign reserves of this country. Caroni Limited is indebted to the Government, the local lenders, and it is a matter of concern, I understand, for fiscal management.

When one compares the choices made, which investment held the potential for greater diversification of the economy and the creation of more employment opportunities in Trinidad and Tobago? Why is it, in the face of such obvious economic principles, that the Government went ahead and did this enormous investment in the energy sector for which today we are reaping the negative results?

Madam Speaker, I want to merely say something more in terms of this diversification thrust and the role of agriculture. I want to say something about the rice industry which is important to my constituency and to others, as well, in Trinidad and Tobago. This is an industry which has potential. It has the capacity to employ many people, but it needs a certain investment in infrastructure and for Government to put certain things in place.

Next year it is estimated that the rice industry will produce anything like 50 million pounds of paddy. There are 6,000 persons in Trinidad and Tobago who are engaged in the rice sector either on a full-time or part-time basis. It is a large employer of labour. It saves us foreign exchange. There are many by-products from rice and the cultivation of rice which can be used to make the whole industry viable; by-products whether for feedstock or for other uses, whether it is to get chemicals; from the straw of the rice to make wine, whatever it is. There are many uses which can be put to the by-products of rice quite apart from the getting of the rice grain itself.

3.25 p.m.

Madam Speaker, the rice farmers of this country are facing tremendous odds, because they have limited infrastructure. They need water management; they need the de-silting of their drains and channels in order to have proper water management. They need agricultural access roads; they need a pricing system which is acceptable; they need high quality seeds in order for them to produce at a viable level.

The Government completely ignores this and the Minister would not even visit my constituency to look at these infrastructural problems which affect these people who are desperately trying to earn a livelihood, to save foreign exchange and to make ours a more productive economy. That is not their concern, possibly for political reasons.

Today I want to make this point very clearly, that what has been presented to us as a budget is of total irrelevance, given the objectives stated in the budget—growth and development. From that perspective, creating of large-scale employment opportunities, this document here called the budget of Trinidad and Tobago for 1993 is of total, abject irrelevance as, indeed, is the PNM Government—totally irrelevant to the needs and urgencies of our times today, in this country.

Madam Speaker, what has been presented to us really is a document with political objectives. It is not by accident that you announced that \$1.2 million additionally is going to be given to Tobago at this juncture when we have the Tobago House of Assembly elections. It is not accidental that you are going to increase the appropriation to LIDP, because that is the political beach-head that you use in order to retain power in Trinidad and Tobago. But what this is, is consumption expenditure. You are not going to create any long-term jobs with the appropriation on LIDP, but you need to have it because that is the way you buy votes. So that when you look at your allocation expenditure in this budget, it merely has a political objective. The rest, as I said, is pious hope, wishful thinking that you are going to achieve growth.

You are not going to achieve any stabilization and growth. The stabilization which you have achieved in this country is stabilizing Trinidad and Tobago to a level of poverty which it has never seen in its history. That is what you have done. You have reduced certain sectors of this economy to below the poverty line; you have others teetering on the brink of poverty; you have the middle classes in Trinidad and Tobago under severe difficulty in order to survive. This is the economy you have created and now you are talking about increasing savings,

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growth and development. You are also abdicating your responsibility and putting the matter squarely in the hands of the private sector to do your job for you.

Madam Speaker this is a budget of abdication of the Government's responsibility and an admission of the gross failure after 31 years in office and the flow of \$60 billion through the coffers of the Government. Much of it has been pilfered and so on. Madam Speaker the country ought to know—

Mr. Manning: That was since 1984, you know. Same speech.

Mr. Sudama: You see they have been presenting the same budget. They have been presenting the same rubbish as budgets from way back when. Nothing new. We are still dependent on oil. The main thrust of the economy is the petroleum sector. We will give a little here and a little there; we will have social programmes. That is what has been going on.

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

Mr. Sudama: And they come here to tell us they are the new PNM. Madam Speaker, this new PNM is as old as the hills. Thank you.

The Minister of Trade, Industry and Tourism (Sen. The Hon. Brian Kuei Tung): Madam Speaker, let me start by saying how much of a pleasure it is for me to be here again to address this honourable House and to add to this debate on the budget. My contribution, I hope, would demonstrate to this House how our 1993 budget continues to facilitate the improvement of the trade and investment environment in Trinidad and Tobago.

Madam Speaker, before I do so, I would like to place on record my congratulations to my colleague, the Minister of Finance, for his choice of theme, "The Passage from Stabilization to Growth." I think by now he must be regarded as a bold and daring Minister of Finance as he sets about to achieve this very noble objective, given the severe financial constraints in which he finds himself.

Mr. Maharaj: Bold-faced!

Hon. B. Kuei Tung: So that I hasten to congratulate him in resisting the urge to yield to the temptation to achieve another budgetary deficit. I see that balancing the budget is going to be one of the urgent and necessary planks which is going to enable us to achieve economic and trade reform, as this very easily puts us on the road to achieving a very efficient economy. In speaking of trade reform, Madam Speaker, I would like this honourable House to remember that as one of the

conditionalities of accessing the second tranche of the structural adjustment loan, Government was required to complete a study of its trade and related policies and this included the impact on domestic industries of removing the licensing requirements for imports and of the practical significance of existing exemptions on import charges.

Furthermore, Madam Speaker, the study was to include preparing a programme of medium-term tariff reform to be accomplished by means of an annual downwards adjustment in import charges by December 31, 1994. The objectives of this programme included the following:

- (1) To achieve a level of import charges equivalent to the rate of the common external tariff through a gradual elimination of all other charges on imports;
- (2) To reduce the dispersion of effective protection rates; and
- (3) To reduce the number of tariff bans.

Madam Speaker, this House will also remember that the study was performed by a firm of English consultants, Maxwell Stamp PLC of London, who conducted a survey in Trinidad and Tobago among 200 manufacturing establishments—of the several hundreds that came about because of PNM policies—during the period July to December last year. In compliance with the terms of the contract with the Government of Trinidad and Tobago, Maxwell Stamp PLC submitted a draft report in December, 1991 and its final report on June 5, 1992.

3.35 p.m.

Some of the issues which were addressed included the implications of the policy environment for economic incentives. On this matter the consultants quantified the impact of various measures of protection offered by our protective trade barriers and it clearly demonstrated the anti-export bias which existed in trade policies at that time; the impact on policies on export incentives in which it was clearly shown that existing exporters were bearing the cost of import protection policies.

The third issue was the institutional framework which is responsible for the administration of trade and economic policies and the unintended inconsistencies of trade policies. Finally, the fourth issue was the institutional constraint perceived with respect to overall agricultural policy and the weaknesses in export marketing

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arrangements. It was felt that international competition for agricultural markets required a more highly sophisticated approach than was currently practised.

Madam Speaker, I am quite pleased to note that Maxwell Stamp PLC has reported on recent trends in trade performance which suggest a number of industries for which trade performance has shown a consistent and significant trend to improvement. These industries which can be classified as activities which reveal a growing and competitive advantage include some of the following: food processing industries, such as, confectionery, beverages and meat processing; chemical industries, clothing and textile industries, metal based industries, electrical apparatus assembly. Other mature industries which require low levels of technologies, for example, jewellery, tobacco goods, furniture, plumbing and light fixtures.

Madam Speaker, the consultants were able to answer the question that was raised by the hon. Leader of the Opposition: what do we have to export? The question in itself, was mischievous. I can see the question was intended to demoralize and demotivate the manufacturers of Trinidad and Tobago. What we have to export are industries in which we have a growing competitive advantage from year to year.

As you are aware, I have, myself, visited several of these manufacturers in order to see for myself, their own operations, but more importantly, to discuss the initiatives which Government can take to assist them in becoming production efficient and to achieve international competitiveness. I am happy to report that I have seen the pride which workers of these factories have shown, especially when I have, myself, enquired about the processes being used. I would challenge the Opposition to show me any worker from any part of the world, who can out-do, out-perform or out-produce the worker of Trinidad and Tobago.

One of the safeguard mechanisms, and a very important one at that, which has been put in place with the removal of the negative list to safeguard manufacturers is a regime of import surcharges. It was intended to be a temporary measure. That is, it was intended to give manufacturers protection during the period July 1, 1992 and to last until January 1, 1995. Recently, Cabinet approved a number of adjustments to this listing, as a technical staff assigned to review it, identified a number of anomalies in this listing.

The surcharges were originally set up in several bands—seven, to be exact—with rates ranging from 55 per cent to 15 per cent for the different categories of

imports. Cabinet has also recently approved the following: firstly, as of January 1, 1993, the rates of surcharges would be reduced to three bands only, and there will be a reduction in these surcharges to 25 per cent, where they were 50 or 55 per cent; to 15 per cent, where they were 35 or 45 per cent, and to 10 per cent, where the rates were 25, 20 and 15 per cent. Furthermore, as of January 1, 1994, these will be further reduced to 15, 10 and five per cent, respectively. Finally, as of January 1, 1995, all surcharges will be reduced to zero value.

Madam Speaker, let me just illustrate what this means. As of January 1, 1993, import surcharges which were either 50 or 55 per cent would be reduced to 25 per cent. As of January 1, 1994, that would further be reduced to 15 per cent, and finally, in 1995, that band would be reduced to zero.

In the case of stamp duty, Cabinet agreed that the existing stamp duty rates of 10 per cent on capital goods and 20 per cent on all others, be retained until the end of 1993. In other words, stamp duty on capital and all other goods will remain throughout the year, 1993. As of January 1, 1994, however, the rates will be reduced to five and 10 per cent, respectively, and as of January 1, 1995, both these rates will be reduced to zero. By January 1, 1995, we would then have brought our tariffs entirely in line with the common external tariffs.

Madam Speaker, a great deal has been said about the common external tariffs. Regrettably, it seems as if it has been the subject of a lot of misinformation. If you will allow me, I would like, just to go back a little, to indicate to this honourable House, the origin and objectives of the common external tariff. In the annex to the Treaty of Chaguaramas, which established the Caribbean Common Market, was a commitment of member states to implement a common protective policy which would serve to further integrate economies of the Caricom member states, by creating an enlarged and more assured market through the establishment of a common external tariff.

The objectives of the tariff were as follows: the primary objective was protection for regional agricultural and industrial production of finished goods, raw and intermediate materials and capital goods. It was structured in a manner that supports the development of internationally competitive production in the common market; it would not unduly increase the cost of certain socio-economic activities and conditions such as training and the provision of basic services. Its final objective was the creation of a simplified tariff structure.

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In this context, an exercise to revise the then common external tariff was commissioned by the Caricom Secretariat through a mandate given by the 13th meeting of the Conference Heads of Government held in Trinidad in July, 1992. This exercise was conducted through meetings of experts who submitted their recommendations to the recently concluded Special Summit Meeting held in Port of Spain, in October, 1992.

At that meeting the Heads of Governments Conference agreed to a rate structure of the common external tariff of between five per cent to 20 per cent, to be achieved by January 1, 1998 by way of a phased reduction of the current rate structure of the common external tariff. In arriving at this conclusion, the Heads of Governments took into consideration international trends towards gradual reduction of tariffs and have found that the reduced rates would improve productivity efficiency and international competitiveness in the region.

3.45 p.m.

This would be achieved by promoting greater utilization of regional supplies, greater transformation, deeper processing and increased added value within the common market. While the resulting exercise did not evolve into a homogeneous common external tariff, because of several derogations and exceptions, it is hoped that the reduction in the level of the rates of duty during the period 1993 to 1998 will lead to a reduction in the items on the list, as the CET rates and the suspended rates applied by member states converge.

My Government has pursued this exercise in terms of the international trends towards trade liberalization, and increasing tariff reduction. Challenges which have been faced by both Trinidad and Tobago and all of its Caricom partners suggest, that in addition to seeking to retain preferential market access which is already being eroded, there is an urgent need to develop policies which would encourage greater investment flows, as well as to adopt policies which will facilitate the identification of new markets, the improvement of production efficiency and international competitiveness.

The Government of Trinidad and Tobago intends to implement these new tariff levels on January 1, 1993, even though member states have been given the period January 1, to July 1, 1993 for implementation. As I said earlier on, the recently concluded special meeting of the Conference of Heads held in Trinidad agreed to a revised structure for the common external tariff. Under this revised structure, rates

of duty applicable to inputs range from five per cent to 35 per cent, depending upon the classification.

Furthermore, the Heads of Governments agreed that member states may institute systems of rebate of duties for exports, in lieu of granting exemption. The concept of the duty rebate system is a system to provide duty relief for local manufacturers in keeping with the extent to which the output is exported, either regionally or extra-regionally. Under the system of rebate, manufacturers will be required to pay the full duties on the imported inputs, and the duty rebate will be commensurate with the export performance.

Rebates will be effected by way of the issue of duty rebate certificates, and such certificates may be tendered as payment for duties payable on future imports by the manufacturers. In cases where the face value of the certificate exceeds the duties payable, the certificate may be appropriately endorsed by Customs and Excise who will be the issuing authority and the remaining value may be used against future duties payable.

This Government intends to introduce a system of rebates for export on January 1, 1993. The scheme requires the use of a very simple formula. That is a formula in which export sales are expressed as a percentage of total sales, and that percentage is applied to the customs duty paid on all raw materials. It is intended that this system would be managed by the Customs and Excise Division of the Ministry of Finance which will have the responsibility for accepting the applications for duty rebates, for processing these applications, issuing and cancelling duty rebates certificates.

In order to qualify for duty rebate, exporters need only provide details of export sales, total sales and duty paid, and have this certified by the auditors of exporters, who must be a member of a recognized institute of chartered accountants or some such body. Upon the production of this application, certificates equivalent to the amount claimed for duty rebate would be given. These certificates can then be used as payment against future duties due on future imports.

The Minister of Finance considered it imperative that in establishing the rebate scheme, a system should be introduced to ensure compliance and provide for penalties, for those persons who supply false or erroneous information to the customs authorities. In this regard, the Minister of Finance proposes to institute a

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system of bonding for all importers and exporters with penalties of forfeiture of the bond, in the event that there is a breach of the law. This bonding arrangement is intended to apply not only to importers and exporters, but to all entities which transact any commercial business with the Customs and Excise Division.

The rationale for the placement of the bond is to facilitate a more speedy clearance of goods which are imported by giving the manufacturer a specific time period after clearance, within which the duty liability can be paid or rebate claimed. It is recommended that the period for an importer be within 10 working days after clearance. You can see Government has devised a very simple system of rebates.

I wish to stress that the system for rebates is based upon an honour system in which the onus is placed upon the manufacturers to supply correct information. Failure to do so would result in the imposition of very severe penalties. In the circumstances, I am sure that it would not be worthwhile for manufacturers to make misrepresentation and thereby incur these penalties. I wish to inform this honourable House that in devising this system, I took the pains to discuss such a system with certain large manufacturers, as well as the Trinidad and Tobago Manufacturers Association. I am assured they have given it their blessing.

I now wish to turn to specific areas for business development which has been undertaken by my Ministry. In order to facilitate business activity as a vehicle to achieve economic growth and productive employment, earlier this year Cabinet appointed a committee of prominent businessmen and charged them with the responsibility of preparing a national business plan. The committee has submitted an interim report identifying the weaknesses and strengths in the system which affect business activity, and has recommended an initial programme of activity, where immediate attention could be focussed when efforts are being directed to the development of medium and long term measures.

Since that time, Cabinet has also taken the initiative to appoint a National Business Advisory Board, which comprises largely of the chairmen and other key members of the boards of the development agencies, which come under the purview of the Minister of Trade, Industry and Tourism. These agencies include the Industrial Development Corporation, the Tourism Development Authority, Trinidad and Tobago Free Zones Company Limited and the Export Development Corporation. It is intended to include the Management Development Corporation, as well as the Standards Bureau under this body.

The role of the National Business Advisory Board will be to assist in the co-ordination of the operations of these agencies to facilitate the preparation and implementation of a detailed strategic business plan, advise and assist in the establishment of a development institution, which in the final analysis would be responsible for administering this plan.

As was alluded to in the 1992 budget presentation, it is imperative that the efficiency with which investment is undertaken in Trinidad and Tobago should be improved. Potential investors should not have unnecessary impediments placed in their way, given the fact that there are varied opportunities awaiting them in competing countries. Consequently, it has become necessary to streamline the functions and activities of all of the government's agencies to which I referred earlier.

A sub-committee of the National Business Advisory Board has been recently mandated to make appropriate recommendations for such restructuring. What is being envisaged is a restructuring programme along more functional lines, such as finance, human resource development, project implementation, project identification, business promotion and business information. I am sure such a process will result in a more efficient use of the financial resources, which, under present circumstances are quite limited by means of the elimination of overlapping and duplication.

There is a more fundamental aspect of the restructuring exercise. This relates to the absolute need to establish a serious presence in countries with which we have traditionally traded and have sourced investments.

3.55 p.m.

We cannot continue to sit here in Trinidad and Tobago and await the arrival of potential investors. Even in this age of rapid communication, it is just not sufficient to use the telephone and fax machine. We have to be there on the spot, continuously selling Trinidad and Tobago at every available opportunity. This is the only way, I believe, that we will be able to obtain any significant increase in investment levels. Therefore, one of the major activities in the coming year would be the establishment of such a presence in countries to be identified, and the responsibility of the National Business Advisory Board, in this regard, would be to have an appropriate action plan prepared for the achievement of this particular objective. In the meantime, the Board would nevertheless be meeting with potential investors who are expressing an interest in investing in Trinidad and

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Tobago. Already such discussions have been held with representatives of a number of companies with significant investment opportunities.

The Board has also had discussions with a consultant, under the Investment Sector Reform Loan which the Government is negotiating with the World Bank. The theme of these discussions revolve around the possible formation of a board of investment to assist in the attraction and facilitation of investors. These proposals are currently under review.

Permit me, at this point, to provide an indication of some of the achievements of three of the agencies during the course of 1992. Let me begin firstly with the Industrial Development Corporation.

With respect to evaluations, the Corporation, in 1992, approved five hotel projects with a proposed capital investment of some TT \$76 million—an investment which holds significant potential employment opportunities for Trinidad and Tobago. It is estimated that a total of 621 rooms will be provided at the conclusion of these projects.

With respect to import duty concessions, 95 applications were approved for capital investment of some \$150 million. This provides a possible employment opportunity in excess of 1,000 persons. It should be observed that more than 50 per cent of these applications were in respect of extensions by existing manufacturers who, responding to our urge for export-led growth, are diversifying or expanding their operations into new or related product lines. Of the new projects approved, 10 have been implemented to date.

Approved also were 31 applications for factory accommodation on the Industrial Development Corporation's properties. In this area capital investment is expected to be \$25 million and we expect that job opportunities created should amount to about 250.

In respect to IDC's industrial planning and business development, this area is important in terms of identifying sectors and/or industries which will be targeted for development and promotion, and for carrying out the relevant studies and promotion of projects identified.

During the year work was carried out in several areas:

- (1) The agro-based sector: The manufacture of coconut based products; the development of a food park in Trinidad and Tobago, that is, an area reserved primarily for activities related to the food industry, for example, the agro-processing industries; the manufacture of cassava-based products and pickled vegetables.
- (2) Resource based industries, for example, the manufacture of glass products and ceramics.
- (3) The establishment of a maintenance and reconditioning workshop.
- (4) The establishment of a facility for the recycling of plastic products.

With respect to investment promotion, one of the highlights of the activities in this area was a "Buy Trinidad and Tobago" campaign, aimed at sensitizing the public to the issues inherent in the change over from the removal of the negative listing of items, to a system based on tariffs or import surcharges, and for the need for supporting local industry and for improving quality, thereby increasing our manufacturers' international competitiveness.

In addition, the assistance of the Commonwealth Fund for Technical Co-operation was received for an export sector investment promotion programme to the Far East. Funding involved amounts to \$1 million and the project will cover a 15-month period. The first phase of the project was commenced in September and the second phase is due to start next month.

During the year, the IDC established contacts with the Indian Investment Centre for approval of assistance in investment promotion and technical assistance. Arrangements are now being made for the signing of a Memorandum of Understanding with the Indian Investment Centre.

Also arising out of participation in the Caribbean Basin Business Conference, a joint venture arrangement was made possible between a food manufacturer and a local partner.

With respect to industrial counselling, Madam Speaker, a number of training programmes were conducted in areas such as the garment industry, handicraft production and agro-processing. Between January and November, over 200 such operators in these areas have been trained.

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I wish now to turn to the Small Business Development Company Limited. The Small Business Development Company, which has a mandate to foster the development of the small business development sector throughout Trinidad and Tobago, pursued this mandate by establishing four distinct services which it extends from three offices located in Port-of-Spain, Tobago and San Fernando. These services offered include a loan guarantee plan, a business advisory service, an entrepreneurial development, training and information centres.

The loan guarantee plan is the main financial tool designed to assist business persons who lack collateral, to access commercial credit from banks, non-banks, the Co-operative Development Bank of Trinidad and Tobago, the Agricultural Development Bank, the Trinidad and Tobago Development Foundation Limited and the Association for Caribbean Transformation.

Since it began 28 months ago, over 1,000 persons have received guarantee support to a value in excess of \$14 million. In fact, what this means is that credit of at least \$28 million was extended to the small business sector as a result of the loan guarantee scheme which is conducted by the Small Business Development Company Limited. This is so because the Small Business Development Company Limited only guarantees, on average, up to 50 per cent.

For this year, 325 micro-entrepreneurs have benefited as a result of this guarantee collateral. They have, so far, guaranteed in excess of \$4.5 million which has been supplied by the Small Business Development Company Limited.

The other three services provided by the company are designed to support the Loan Guarantee plan and to create and enhance the spirit of entrepreneurship at the small business level.

During 1992 several persons have benefited from these services as follows:

- With respect to the business advisory service, 3,356 persons have benefited from advice and business operation and have been given assistance with the preparation of business plans.
- In the management training area, 169 persons have benefited from half-way courses conducted on key subjects such as record keeping, cash flow management and marketing.
- In information centres, 820 persons have benefited at the three information centres, at which documentation was provided to prospective

business persons on business opportunities, legal requirements for starting business, entrepreneur start-up guides and videos.

The third area I would like to mention is the Trinidad and Tobago Free Zones Company. The Trinidad and Tobago Free Zones Company has as its mandate to administer, control, operate and manage all free zones and to do all things necessary and appropriate for the encouragement, promotion, establishment and expansion of export-oriented business. From its onset the company has been besieged by a number of problems, chief among these is the Act itself which proved to be a stumbling block in the way it has been encouraging businesses to establish in free zones. One example of this has been indicated at Point Lisas with the necessary infrastructure. It is expected that as part of the overall strengthening of the regulatory and institutional frameworks for the encouragement of both local and foreign investment, the legislation will be reviewed and appropriate amendments made at the earliest opportunity. In spite of these present difficulties, several opportunities are being explored for the establishment of businesses in the free zone, and I would like to give you an indication of some of these activities.

4.05 p.m.

A joint venture has been approved to develop expert systems, software and computer hardware for export in a free zone at the IDC O'Meara Industrial Estate, number one. Secondly, Madam Speaker, approval has been granted to Nestle Caribbean Incorporated, a subsidiary of Nestle International, and the largest food group in the world, to transfer its existing international trading in products operation from free zones in Miami and Panama to a free zone at Valsayn, in Trinidad.

All management and employees of the free zone enterprise will be Trinidadians, several of whom, I am told, are at present in Miami being trained in the free zone there. The free zone operation for Nestlé is expected to start up in Trinidad by the end of the year and when the Miami operation has been fully transferred to Trinidad, it is anticipated that in excess of 100 containers a month will be imported and exported through the free zone.

A joint venture enterprise involving substantial transformation in Trinidad by finishing stainless steel billets in a free zone in Trinidad for re-export to the USA is also being pursued. The foreign investor will be arriving in Trinidad next month to finalize arrangements for this project.

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Next, Madam Speaker, discussions have recently been commenced with another major United States manufacturer with a view to the establishment of a large-scale plant to manufacture automotive electrical components in a free zone to export mainly to Europe.

Madam Speaker, you can see that once facilitative legislation and regulatory arrangements are put in place and proactive investment promotion strategies are instituted, from the interest being shown by local and foreign investors, I am confident that increasing numbers of viable export projects will be established in free zones, creating steadily expanding good quality job opportunities, increase access to soft and hard technologies and thereby contributing to economic growth in this country.

Madam Speaker, from my presentation, you can quite readily appreciate the role which the 1993 budget plays in developing the framework and the environment in which trade will improve and so put this country on the road to sustainable economic growth.

Madam Speaker, I have no hesitation, therefore, in recommending our 1993 budget to this honourable House. I thank you very much.

Miss Hulsie Bhaggan (*Chaguanas*): Madam Speaker, when I examined this budget, and I looked at the long preamble, I felt as if I was reading a *Time* magazine. I saw no analysis; all I saw was description.

As a matter of fact, Madam Speaker, when I examined the contents of that preamble, it is quite clear that this Government intends to pursue Reaganomics, Busherism and Thatcherism. These things have been rejected.

As a matter of fact, for those of us who have been following the recent US elections, we would have seen where Busherism has been soundly rejected by the American people. The question I ask is, why does this Government continue to follow those policies of what we call the neo-liberal model?

Madam Speaker, it seems as if this Government is telling us there is only one model of capitalism in the world. But according to SELA—

Mr. Manning: SELA?

Miss Bhaggan: It does seem that the Prime Minister is not aware of what SELA is, so I will inform and educate him. It is the Latin American Economic

System and, in Spanish, it came from *Systema Economico Latino Americano*. One of the things that happens usually in this House is that every time we speak on this side, the other side corrects us on the pronunciation because we have them on content. So all they can correct us on is how we pronounce words.

Madam Speaker: I think your Spanish was very commendable.

Mr. Manning: Even though it is not the language of the House.

Miss Bhaggan: Thank you, Madam Speaker. If we speak of Trinidad and Tobago as the gateway to Caracas and Venezuela, it has to become the language in this House eventually.

According to this commission, there are three models of capitalism recognized in the world today, one is the Rhine model, which is the experience of Austria, Germany and Switzerland, which is part of the social market economy model. The second one is the Japanese model. The third one is the Anglo-American model, which we call the neo-liberal model.

Madam Speaker, there may be other forms of capitalism that can emerge in the world today. So we are saying, basically, we ought not to be copycats. We ought to look at our internal development and reality, examine the international reality and find a way to be able to strike a balance. As it is, we are importing full-scale models into this country which are totally irrelevant to the reality of Trinidad and Tobago.

Madam Speaker, what this Minister of Finance did was to bring this international scenario to confuse this House so we become so thrilled by the idea that things are happening in the world; that we are a tiny nation and we cannot influence things, so we must just follow the leaders and in this case the leader would be a guy who lost an election recently.

We are saying that the international economy cannot fully influence the local arena in terms of our domestic policy. As a matter of fact, Madam Speaker, the reason why the former President of the United States of America lost his position is because he was focussing on the international and he forgot his domestic situation.

That country, Madam Speaker, has poverty that cannot be spoken about. They talk about debt in terms of words that we do not know about, trillions in debt.

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Now, right now we have billions but the way this Government is going, we are going to reach trillions soon.

Madam Speaker, in looking at this budget, therefore, this Government is like a parrot. In Trinidad, we talk about follow fashion, well they are following fashion. We on this side, however, are saying to this Government, they have got to analyse our reality, take the context of what is happening in the world, but come up with our own model of development in this part of the world.

The Prime Minister is the chairman of some new bureau, I understand, that has been set up in Caricom. I would have expected that we would have taken the lead in this House to promote some model, to give leadership to the other Caribbean countries. He has a golden opportunity, but what we have here, as I said, is a trickle-down economics approach which has failed in the United States of America.

There is another stress that is being made on the other side, Madam Speaker, it has to do with this question of free trade. I want to put to this House, of course, there is free trade in the world and, of course, there are blocs emerging in the world, but the free trade is within the blocs, not among the blocs. There is protectionism among the blocs, Madam Speaker. So, within Canada, Mexico and the United States, there is free trade within that bloc, but against Japan there is protectionism. So this thing of free trade is a catchphrase to fool the people in the Third World. There is no such thing as free trade.

As I have said before in this House, what is happening to this world is economic power is now replacing military power. The new kind of war that is going to emerge in this world will be the trade war. If we study history, the world wars were based on trade wars. It had nothing to do with communism and capitalism. In fact, Madam Speaker, I understand that when we had the Second World War, the communist and the capitalist states came together to fight against Hitler. It had nothing to do with ideology at that time, it had to do with other issues.

I am saying, therefore, that if we could continue to succumb to this idea of free trade, and all this new jargon that has been brought into this part of the world, we, too, will be caught in the middle of a trade war but we will have no ammunition and no weapons to deal with it.

For instance, this Government speaks about the blocs. They speak of all the things that are happening in the world. The question is, what is our plan? Are we, for instance, going to look at Caribbean and Latin American integration? Is that going to be one of the proposals, perhaps, in this part of the world, to be able to deal with the blocs, or are we going to allow ourselves to become absorbed in one of those blocs like some kind of boat on the ocean in a hurricane where we eventually find ourselves wrecked upon some shore?

This Government has got to decide now where it intends to go with respect to this country and where it intends to take the people of this country.

When I looked at the policies, Madam Speaker—in fact, they are speaking now of cuts in public expenditure. If I may go back, members of the public are saying it was a good budget, they did not raise gas, they did not increase alcohol or cigarettes. But this budget is going to catch them like a thief in the night. It is not the obvious measures any more, but that cut in public expenditure, that is the key. It means that we are going to have more unemployment with all the attendant social ills in this country.

Madam Speaker, I want to focus on the question of social services in Trinidad and Tobago and how that Government is dealing with it. First, I want to say the portfolio of social services is usually given to a female Member of the Government. Now, in this case, I want to put to this House that the Minister responsible for that portfolio ought to have been sitting right next to the Minister of Finance, not in the Back Bench, in the Front Bench, Madam Speaker, because when you examine the policies of this Government, the neo-liberal model and the effects of structural adjustment, it is quite clear and all the studies have shown that you have got to ensure that your social programmes run parallel with your economic programme so that there could be a programme against poverty and all the other social problems.

What happens, Madam Speaker, the Minister of Social Services is relegated to the Back Bench. This is nothing personal, I am looking at things from an objective point of view. I cannot say I have seen any great policy coming from that Ministry this year. I have been hearing nice speeches. I have a theory that women in politics, especially in Government, find themselves in the ghetto of political positions and the ghetto being the Ministry of Social Services. What the men in the Government tell you is that basically you have—

Mr. Manning: I thank the hon. Member for giving way, Madam Speaker. Am I correct in saying that the hon. Member considers the social services of the country to be the ghetto of politics? Is that what she said?

Miss Bhaggan: The Prime Minister has not allowed me to complete my sentence. I am saying that they allow women to hold these portfolios, but they do not give them the power to be able to effect changes in the policies of Government. It is a very important portfolio. But when you look at the policies of this Government, it is quite clear that the Minister who holds that portfolio has no power in that Government.

I know there will be fancy responses coming from the other side to defend and to make excuses, but I am going to examine the present social state of this nation today and I can assure you I will demonstrate how this Government has merely paid lip-service to the question of the quality of life of the people in this country and the question of social justice.

Madam Speaker, what I have also found is that the question of women in politics is something which is very touchy in many areas. Women do not have much influence on the decision makers, whichever position they are in, whether they are in Government or in any other organization.

Mr. Manning: Madam Speaker, just for the purposes of the record, I would wish the hon. Member to recognize that she is not speaking for this Government. It is not so in this Government, Madam Speaker.

Miss Bhaggan: Madam Speaker, I believe the hon. Prime Minister could very well prepare a reply to my contribution instead of interrupting my debate. I think the comments he is making are not making much sense.

The point I am making here, again, has to do with the chauvinistic organization of this society. You see, I was speaking to a gentleman who is a director in a United Nations development agency in this country. He said it is not a question any more of chauvinism, it is a question of marginalization of women in this society. Lip-service is being paid. They say, we want women in Government, but they must be there as decoration. If you only have men, it looks bad, so you have women.

Madam Speaker I was elected on this side, but at least I am in the Front Bench. I am saying, therefore, that in this Government they have not given the question of

women any priority because when you examine the impact of structural adjustment, the most vulnerable group is women and this is why I am saying to this Government that they say one thing but practise something else.

Right now, Madam Speaker, I want to look at the question of social services. In this country, we have an unemployment rate of 20.6. Let us hold that figure in our minds. Secondly, let us look at the social services, again. This is away from the question of women. Let us take the old age pension; we have 66,000 people receiving old age pension and 23,000 people receiving public assistance. When you add that up, it means that we have 89,000 people who are getting assistance from the Government in one form or another. Madam Speaker, I use the figure of 1988, which was much talked about, to show that we have 18 per cent of the population living below the poverty line. When you calculate that, out of a population of 1.2 million, it means, basically, we are looking at 216,000 people who are living below the poverty line.

If you were to look at the change between 1988 and now, I want to suggest to this House, that perhaps today we have at least 250,000 people who are living below the poverty line.

With respect to social services, Madam Speaker, especially to public assistance and old age pension, only about 41 per cent of those persons are receiving any direct assistance from the Government. What has happened to the other per cent, Madam Speaker? This Government has not been able to take care of even 50 per cent of those persons who are living below the poverty line.

When you look at household earnings, Madam Speaker, there are 48,700 households which are receiving below \$1,000 a month in income. Worse than that, there are at least 12,600 households which are receiving less than \$500 a month. Worse than that, \$250 a month and less, 4,000 households.

Now, they are telling me that this Government cares about those living below the poverty line, this Ministry of Social Services? Madam Speaker, the evidence here shows that this Government is far from a caring Government. As we said before, they are more a scaring Government.

Madam Speaker, the Minister of Social Services had made many promises in this House during the last budget debate. Madam Speaker, she has said, within recent times that the things that this Government is doing for this country, we could all sleep with our doors and windows open. She did not say, however, when

you sleep with your doors and windows open what will happen to you. What she probably meant is that half of us will be killed so the Government will have less people to look after. I, for the life of me, cannot see how this Government can tell us that they have such policies which would allow us to be able to live with our doors and windows open.

It clearly means, given the crime rate and what is happening in this country, that they intended for us to be murdered in our homes so they could have less people to deal with. It is a kind of a machiavellian approach to population control.

Madam Speaker, on the last occasion, too, when we called for old age pension to be increased to a ceiling of \$6,000, which would allow persons who earn up to \$500 a month to fall within the bracket of receiving old age pension, it was announced by the hon. Minister that what we needed was an increase annually of \$10.5 million. What surprises me is that we allocated \$90 million for the LID Programme, but we spent, instead, \$120.3 million, but we cannot find an annual amount of \$10.5 million to be able to help the senior citizens in this country. Where is the social justice?

Senior citizens are people who have spent their whole lives in this country, serving this country in one form or the other, and this is how we reward our senior citizens, by saying that we cannot afford an additional \$10.5 million a year to ensure that these people live under proper conditions and they bring more people in the net who will qualify for old age pension? Madam Speaker, I am not surprised.

This Government has demonstrated to this country with its past and now with its present policies that it does not care for the people, except themselves.

Madam Speaker, a certain Minister on the other side once said that he did not take a vow of poverty. I want to tell the Members on the other side that the people in this country did not take a vow of poverty, but, in fact, rules, laws and policies are being imposed upon them to such an extent that half of this population is becoming pauperized.

They too did not take a vow of poverty. Why does this Government continue with policies which are totally against people, development and principles of social justice?

Madam Speaker, I want to turn to several other points. Under the Ministry of Social Services is the question of the ECHO programme. This is a programme which was supposed to provide relief for persons who, under the NAR were called the "*nouveau* poor", as you had the *nouveau riche* and these people were supposed to be persons who, with the rise in the cost of living and so on, would have had problems being able to meet their incomes and so meals were provided to serve as a buffer against that hardship. It was then extended to those families who could not qualify for public assistance or old age pension and so the ECHO programme provided them with a food basket or a meal or something like that.

This programme was supposed to be reorganized to become more cost effective and efficient. Madam Speaker, as far as I am aware, one year later, the ECHO programme is still being reorganized. Is this the way this Government intends to run its Ministry of Social Services, that people who used to get some assistance before, because of the impact of structural adjustment, have had to stay hungry for one year?

In fact, Madam Speaker, when you look at the statistics, malnutrition has started in this country, has increased and is continually going upwards. This Government sit in an air-conditioned office somewhere and they are reviewing, revising and patching-up figures and discussing and looking at plans and statistics while people out there do not have a meal.

Today you have more people on the streets and, of course, that brings me to the question of the vagrants, Madam Speaker. I know it is close to half past four, but I shall just continue with the ECHO point and when we return, I shall speak about the people living on the streets, especially of Port-of-Spain.

For the ECHO programme, Madam Speaker, there was another component which was supposed to be where persons who were getting funding or help under the ECHO programme would have received some kind of assistance where they were becoming economically independent. That is to say, they got training and support services and so on. What has happened to that?

Madam Speaker, there is a certain organization in this country that I am going to talk about afterwards which is doing a fantastic job and which requires the help of this Government, but this Government has not given that organization the help that it deserves. So it is looking at helping those people in a vacuum somewhere,

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but the organizations which are doing the work that this Government ought to be doing are not receiving the funding from the Government for the work to be done.

Madam Speaker, this Government comes here and makes flowery speeches; they sound great. The Government copies from all kinds of UN reports and what it says it sounds fantastic but they are merely words. Like the elections campaign they stood up on a platform and made promises, they sell one thing and they come and implement something else.

Madam Speaker: The sitting of this House is suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Miss H. Bhaggan: Madam Speaker, prior to the tea-break, I was speaking about the ECHO programme, especially the development aspect of it. It is our view that this Government is not serious about helping people to move from a state of dependency to a state of independence.

There is an organization called the Morvant/Laventille Improvement Organization. They came to me about two weeks ago with problems concerning funding. I am involved in a similar programme with another organization located in Port of Spain but which does work along the East-West Corridor, among the urban poor, and they heard of my work and they came to me hoping that somehow I would be able to make some representation for them.

This organization does very good work. In fact, about three years ago I visited that organization and I saw the work they were doing, especially with respect to skills which included auto mechanics, auto body repairs, welding, electrical work and so on. There are technical and vocational areas. This programme is geared towards the urban poor, especially young people. The ECHO programme was making a contribution to this programme, but at the same time the programme attempts some level of self-financing. Right now, trainees contribute \$455 for the 12-month course because it is a subsidized course. They get donations from public businesses and other places—the Government gave them some under the ECHO Programme, YTEPP gave them some, and so on. However, the funding that they are getting presently from the Government is totally inadequate. In order to run this programme they require \$500,000 per year.

When I look at the moneys being devoted towards YTEPP, after examining the YTEP Programme, it appears to me that this organization can do much more at a cheaper cost compared to what we are doing under YTEPP. This is based on my own experience with YTEPP. The question is: Are we really serious about working with NGOs, as I saw in the budget? Are we really interested in helping people to move from a syndrome of dependency to one of independence? I do not believe that we are serious.

The treatment of this organization clearly shows that this Government does not have an interest in really helping these organizations to do the work that they are doing without any kind of hindrance especially when it comes to funding for their programmes. I hope that the Government will reconsider its position with respect to the work of NGOs because there are several scores of NGOs that are doing related work and the main problem has to do with financing.

Our recommendation is that these NGOs ought to receive their assistance because they can conduct those programmes much cheaper. Secondly, their overheads tend to be lower. Thirdly, many of the persons who are involved in the NGOs are people who are involved in this work because they want to give some service to the country and most of it is on a voluntary basis. I hope that the Minister of Consumer Affairs and Social Services will be granted the kind of financial resources through her Ministry in order to solve some of these problems related to the effects of structural adjustment.

The other point I want to make has to do with the question of people who are living on the streets of this country. I want to zero in on the people who live on the streets of Port-of-Spain. Some time ago, the hon. Prime Minister—who is not here presently—spoke about wanting to shine the city of Port of Spain. It sounded like a great plan.

Hon. Member: Polish!

Miss Bhaggan: I was wondering how he was going to shine the city of Port-of-Spain, and then it came to light. Before you can shine the city of Port-of-Spain, you have got to get rid of what they may term, "the human beings"—I do not know whether they consider them human beings—the people who are living or selling on the streets.

The first thing this Government does is go to Nelson Island. I know they are saying it is a proposal, it is nothing concrete, but the kind of impression I was

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getting is that they were serious. Nelson Island is an island, I believe, which we call "Leper Island".

Mr. Valley: No, that is Chacachacare.

Miss Bhaggan: Anyway, it is part of the set of islands. Let us assume, for argument sake, it is not the same "Leper Island". The concept is the same—the concept of removing people from the society, alienating them from the society, putting them somewhere else because as a society we cannot deal with them.

This Government tries to imply that the people who live on the streets fall under one category. They have not studied the situation of street dwelling because if they had done so, they would have recognized that the target group there is a varied group. There are people who are senior citizens who simply cannot afford to live on the kind of pension which they are getting right now or some of them are not even receiving any old age pension. They are the destitute, people who have lost their jobs and so on, young people who are living on the streets of Port of Spain. So their problem is one of economics. The senior citizens' problem is one of caring for the aged. Then, there is the mentally ill, people who, for some reason or the other, no longer possess their full faculties. There is also the homeless, people whose homes have been burnt or who, for some reason, do not have a home. Then, there are those who have been abandoned, especially the young people. Then there are those who are medically ill—their legs have been amputated or they are suffering from some other medical illness—diabetics and so on. There are people who are addicts from alcohol and drug abuse. There are men and women; young adults and old people; and children.

Is this Government suggesting to this honourable House and to this nation that they intend to put all these people on this little isolated island? This Government has been running an institution called, St. Ann's which is located on this island but for years we know St. Ann's has been having problems. St. Ann's became a national talking point when 13 persons, I believe, died as a result of carelessness at the hospital. If at St. Ann's, which is located on land and is easily accessible to the people in the country, you can have people dying in that institution, what would happen to people whom we dump in some island down in the sea? It is dumping.

This Government goes with a high-powered team to Nelson Island. The cameras were there; the media were informed and so on—people were dressed up to suit the occasion—but a simple thing like the keys to the building, nobody made arrangements for that. They arranged for the media but they could not arrange for

the keys for the building. That is to demonstrate the seriousness of this Government with respect to dealing with the problem of street vending.

Mr. Valley: Madam Speaker, let me inform my friend opposite that nobody informed the media, the media just found themselves there.

Miss Bhaggan: Madam Speaker, I guess they checked to find out when the boat was leaving, from which point the boat will leave—in fact, when the boat had left the land they probably jumped onto the boat because they did arrive there.

5.15 p.m.

So, Madam Speaker, the question of street dwellers, as I would prefer to call them, is one not only of just removing people because they are mad, it is a group of people who are from different categories. In fact, I know for a fact, Madam Speaker, that there are probably hundreds of children who are living on the streets of Port of Spain. You do not see them in the day, but in the nights they come out. Ask the Marian House project.

Mr. Mohammed: Correct as ever.

Miss Bhaggan: Those young children, Madam Speaker, are being kidnapped almost on a daily basis; they are being abused; the young boys are being made to think that they are girls and they are being trained to become drag queens. That is the reality of life on the streets, not only of Port of Spain, but in many other parts of this country.

Therefore, this is not only about shining Port of Spain, this is about dealing with a fundamental problem of street dwelling, which emanates from problems having to do with certain things related to the economic policies of this Government. They are directly related, Madam Speaker. Maybe a small percentage will relate to other domestic matters, but much has to do with the frustration of a certain part of our society—people who are being marginalized because of the economic policies of this Government—policies, Madam Speaker, if I may add, which this Government made grand speeches about. In fact, the Member for Diego Martin Central and the Member for Laventille published excerpts of a speech, as I once mentioned in this House called "In Defence of the People's Interest". Those policies, once more, are being espoused on the other side and these are the reasons why persons are living on the streets not only of Port of Spain, but in many parts of this country.

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I do recall that in the last budget debate the hon. Minister responsible for that area spoke about the Riverside Plaza Walk-in Assessment Centre, which was supposed to be a centre to almost cure the ills of this problem. I would like to know what has been the progress with this centre, why, therefore, are we proposing to move from this centre to the Nelson Island?

The other point I would like to raise on the question of Port of Spain, in particular, has to do with the vendors of Port of Spain. Removal of the vendors, it seems to me, Madam Speaker, is not so much as one dealing with the question of vending on the streets and having to deal with the problem of unemployment, it has more to do, again, with the Prime Minister's plan of shining the city of Port of Spain. As a matter of fact, I understand that the Government wants to speak to one group of vendors or a recognized group, they say, representing vendors. But my own experience in my constituency, Madam Speaker, tells me that you do not have one group representing vendors.

This is not a communist state where you say I am only dealing with one group, or one party or one whatever, this is a multi-dimensional, multi-party society with a democratic system in this country. So we encourage pluralist organizations. Why should any government say I am only dealing with that particular organization? The reason the vending problem continues now is because discussions have not taken place with the various organizations.

Mr. Mohammed: Bad politics.

Miss Bhaggan: In fact, I got information—again the Minister can correct me—some of the people they are dealing with somehow have a relationship with the ruling party. They can probably tell me whether that is true or not. I am saying to this Government that they have to deal with all the organizations which are representing vendors on the streets of Port of Spain because I can tell you for a fact that that is what we did in Chaguanas and the Minister of Local Government, the Member for Diego Martin Central, can attest to that fact.

Mr. Mohammed: He knows that.

Miss Bhaggan: He himself helped to place those persons on the committee of which I was chairperson and so we had at least three organizations represented on the Chaguanas Market Committee.

Mr. Valley: They were all legitimate groups. The same thing we do in Port of Spain, we deal with the legitimate groups in Port of Spain.

Miss Bhaggan: Anyway, Madam Speaker, I believe that is a question that the Mayor and the Minister of Local Government have to resolve. I ought to just draw it to the attention of this House that we cannot continue with the confrontations and problems of street vending in Port of Spain or in any other part of this country. I am also saying, quite simply, that as long as this Government cannot provide employment for people in the country, they ought not to be ensuring that they are putting rules and regulations which could affect the daily lives of those persons.

Secondly, this thing about saying that people must come with a national ID card and so on, for them to vend. I find this is very strange. I am getting mixed signals here. What does the Minister of Foreign Affairs think about this?

Hon. Member: He does not think.

Miss Bhaggan: On one hand we are talking about Caribbean integration; about a union of Barbados, Guyana and Trinidad and Tobago and yet we are complaining about Guyanese vendors on the streets. Maybe the reason the Guyanese vendors were there is because they heard the hon. Member for San Fernando East speaking about a union of Guyana and Trinidad and Tobago and Barbados. So Madam Speaker, we have not heard what the proposals are, so maybe the proposal has to do with the free movement of capital and labour and all those things, so these people took it to mean that. Since they did not hear anything else, they felt that, maybe, an agreement has been signed. Half of them cannot afford to buy newspapers anyhow, and so Madam Speaker, these people felt well "is free sheet" to go anywhere and sell in any part of the Caribbean.

Hon. Member: It is the capital centre.

Miss Bhaggan: As a Government, therefore—well it is the capital centre of the Caribbean, I understand—we have got to decide. Are we going to allow other people from the Caribbean to come here and vend in the streets? If you cannot allow them to vend in the streets, are you going to allow them to vote for you? I am just asking a question. I do not know. Those persons who are voting now—

Mr. Valley: Madam Speaker, the requirement with the ID cards—if they have an ID card they can be registered and they can vote for us.

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Miss Bhaggan: Madam Speaker, the next question has to do with children because the hon. Minister, again, in her contribution on the last occasion spoke about children.

I would like to shock this honourable House, Madam Speaker, by referring to an article in today's newspaper. "Girl, 12, raped by 10 men at Chag." This is today's *Trinidad Express*. Madam Speaker a Member is telling me I should not read things in the newspapers. Well I would like the Minister of National Security or somebody on the other side to tell me whether this is right or wrong. Because you see, this is the only way we find out things that are happening in this country, by reading the newspapers. That is what the media are there for. According to this article, a girl, 12 years old, was raped by 10 men at Chaguaramas and in the same article, there is one where three soldiers, I believe—

Mr. Sudama: Which constituency is that?

Miss Bhaggan: A 15-year-old girl was ordered to enter a vehicle being driven by soldiers—there were three of them—and they raped her repeatedly. Now, we are speaking about care; about looking after our children; about opening your doors and sleeping at night. What is the current situation in this country, Madam Speaker?

If I may, when we analyze the statistics espoused by the various newspapers and the Central Statistical Office and so on, and by dealing with persons involved in the field, we have discovered that one in every four girls and one in every 8—10 boys are abused in Trinidad and Tobago. We have also discovered that the enigma of the problem of child abuse is that more of the victims are female and 95 per cent of the abusers are men.

Secondly, Madam Speaker, that 84 per cent of secondary school students use alcohol. This is published in the *Trinidad Guardian* of February 18, 1992. Thirdly, there is one robbery in every 2.9, say, 3 hours; one wounding every 20 hours; but more importantly, four rapes or sexual offences every two days. Madam Speaker, there are almost 10 murders every month in this country.

What is particularly shocking is that, according to the *Mirror* newspaper of November 13, 1992, 312 children have disappeared over the last 10 months. In other words, an average of one child per day, has disappeared in this country. Can we therefore sleep with our doors open, Madam Speaker? Children in this country are not being protected. As a matter of fact, if I may continue, the Chief Probation

Officer's Report of 1986, looking at March 1986 to March 1987, reported 208 cases of abused children—47 physically abused and 61 sexually abused.

5.25 p.m

A child psychiatrist in a child guidance clinic—looking at January, 1986 to April 1987—spoke about 32 cases of abused children. In fact, it has been said, according to this report, that the age range for sexual abuse of children is between 3 to 17 years old. Although 17 is considered to be a young adult, it still falls under the minor age. Children who are being neglected fall between the ages of 3 and 15 years.

Madam Speaker, according to the police statistics, we have found that there are 190 cases of children being abused. We also have, for instance, 46 being physically abused, 38 sexually abused, 83 neglected, 20 abandoned and eight emotionally abused children in 1986. When I look at all these statistics, it is very clear that children in this country are not being protected.

On the last occasion, again, the hon. Minister talked about bringing legislation to this Parliament, to be able to protect children. We, in fact, ratified the United Nations Convention on the rights of the child in November of 1991. The Minister of Consumer Affairs and Social Services said this is 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 hon. Minister also promised that she would bring, as soon as possible, several pieces of legislation. She also spoke of the Children's (Amdt.) Bill which seeks to provide a care order to protect children at risk or harm. Other bills were the Child Care Systems Bill, the Child and Family Services Bill; to date, not a single one of these bills has been brought. *[Interruption]* In fact, what we have had are not bills with the social services, but we have people on the other side behaving like Billy the Kid, aiming their economic guns on the poor, hapless citizens of this country.

Madam Speaker, I am therefore suggesting to this House that we have had much talk and many promises about children, in keeping with the style and tradition of the PNM. They talk a lot, but there is very little action. The legislation being brought to this House is mainly to do with economics. It has to do with selling out the country; it has to do with selling out the petroleum industry, making

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it attractive, and so on, to investors; a lot has to do with the economy. This is the point I was making earlier. It seems to me that the Minister of Consumer Affairs and Social Services does not have any power in this Government. She is not able to influence this Government in the decisions it is taking, so as to allocate resources to be able to alleviate the impact of structural adjustment and other economic policies that this Government is implementing and unleashing upon us.

Madam Speaker, I can assure you that I am not attacking the Minister of Consumer Affairs and Social Services personally, I am merely laying the responsibility for this totally on the Front Bench. I believe she ought to be sitting in the Front Bench side by side with them, and not just there holding a portfolio. As it is right now, they may as well have disbanded that Ministry, put a couple of public servants to do a maintenance function, because that is what has been happening with that Ministry. It is merely a maintenance function. There has been no creative programmes, no movement to ensure that even those programmes which exist are coming up to standard in the country, based on the requirements we have.

Madam Speaker, I want to respond a bit to what the Minister of Trade, Industry and Tourism has been saying. He spoke as if the Member for Couva North were attacking the workers of this country. We know that the people of Trinidad and Tobago, the workers in particular, are committed to working. The point we were making is that when you look at the programmes, initiatives and the resources that are being allocated towards the development of our human resources, we do not believe that in our country today, we are being prepared for the 21st century, to balance the kind of needs with respect to our economic policies.

For instance, we are talking about trade liberalization. We are saying that we must be prepared to be competitive. In other words, we have to compete with products being produced internationally. In effect, by extension, they are telling us we have to compete with Japan, Germany and all the developed countries of the world. The point we are making is that we do have people with skills, yes, but as a concerted and consolidated effort, this Government has not told us that they have a comprehensive human resource development programme to prepare our people to meet the changing requirements of the times, as far as labour requirements are concerned.

This is all we are saying. We are not here attacking workers and saying that they do not want to work. Of course, at the same time, I suggest to this House that

we are not prepared to continue to sit back and allow the LID Programme to become, once more, a drain on this country's resources, because this Government intends to continue with its patronage to persons who support the party.

Madam Speaker, in my constituency, for instance, I got first hand information of a person who was a foreman on a certain LID project; he was also what we would call a "Bad John". If you do not subscribe to PNM's policies, he either curses, abuses you or gives you more of the work to do as compared to those who are PNM supporters—uneven distribution of work. This person sits and talks, drinks beers and eats food while he has the other people working. Then, that particular person, from my information, was removing materials from the site. He was friendly with a person next door to the work project and this person was actually abusing his privileges under that project.

I wrote to the Minister of Works and Transport. He replied one month later and said he passed it on to the Parliamentary Secretary—in whom I have no confidence. That individual, just for the sake as we might say, bad mind, allowed that foreman to continue to work until the last fortnight, a couple of weeks ago. Do you know what the letter from the Minister of Works and Transport said? He has given it to the Parliamentary Secretary for investigation. In other words, he is probably going to bring Scotland Yard to investigate whether materials were being stolen from the site.

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.

Miss Bhaggan: Madam Speaker, the point I am making is, here you have a Member of Parliament who has written to a Minister making certain allegations, if you want to call it that, but instead of speedily investigating the charges, he just sent a letter, one month later, acknowledging receipt, just for the sake, I guess, because he knows I would probably bring it up in this House. And he allows that person to continue, although I listed several other abuses in the letter. That is what I term no will to deal with corruption and patronage in this country. The shadow Minister of Works will talk about other matters which deal with the LID

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Programme. I wanted to explain to this group that this Government is not committed to removing corruption from this country.

When the hon. Minister of Trade, Industry and Tourism was speaking, I felt as if I were in a boardroom of some company. Do you know what this hon. Minister spoke about? Setting up a National Business Advisory Board. It sounds great, and they are going to develop a strategic business plan. Is this Government now a business? Do you mean they are going to make profits over the heads of people? I did not realize that the role of Government now, from facilitator, has become a manager or owners of capital. What is going on here, Madam Speaker? Why are we setting up a strategic business plan? Maybe there is another name for it. I am very confused.

5.35 p.m.

When I looked at the new liberal model, when we looked back at all the talk in this Parliament where the Government is saying we have to reduce the role of the state from being interventionist, to one of facilitator, and then you come to us and announce that you want to set up a strategic business plan—from my concept—I believe a business plan has to do with how you make money. Basically, that is the bottom line—how you make money; what are the strategies you ought to develop; what kind of measures you are going to take; what kind of budget allocation; how you are going to cut down here and cut down there, and how much profit you are going to make. Tell me, is this Government now a business enterprise? Is that what this Government has been reducing itself to?

It seems to me that this Government has to clarify its position. We are not against having a board to look at the question of all these various organizations and maybe rationalizing some of them, but at the same time, we have to be careful because the Government has certain responsibilities towards its people. The question of profit motive is important to those people in the private enterprise. When they speak about efficiency and right-sizing, those are nice terms in liberal language, but we have to ensure that the Government clarifies its role with respect to running this country.

It seems to me that this Government has totally surrendered. It has lost the will. It does not seem to have any vision. In fact, when I looked at the medium-term plan, it looks really nice with its glossy pages, but then I know that the PNM is very good at packaging products, in the same way they packaged themselves in the

1991 election. Sometimes you look at the packaging of a product and the packaging is more expensive than the contents. That is what the PNM is about, expensive packaging and substandard products. I am suggesting to this Government that it has to define clearly what is the role of the state in this new scenario.

The next point the Minister mentioned is setting up industries. He talked about agro-industry and cassava-based products. Our shadow Minister of Agriculture will deal with that. I just want to make one point. Where are we going to get the raw materials for these things, if we have not put in the machinery, the support services and the allocation to be able to develop agriculture? Those are the primary products. At least, how are we going to develop down-stream industries? I cannot see how that is going to work.

It just seems to me that what the hon. Members on the other side do is probably relive articles and discuss books with people, and they do patch-work economics. They do not follow a comprehensive set of objectives and do certain things. When you read all those books published by the various regional agencies and different organizations, and you look at the phraseology, you will see they are all repeated in these documents which we have before us. It is not that we have looked at our own situation and discussed what in effect is the reality and come with something creative. As I said before, we must have the balance between what is happening internationally, but at the same time, we have to be very sensitive with respect to our national economy.

The Minister spoke about the Small Business Development Corporation. I want to suggest to this House that that corporation, while it may have been a useful idea, it is not really serving the full purpose for which it is intended. There are 250 micro entrepreneurs and we are speaking of unemployment of at least 106,000 people. How is that impacting upon the 20.6 per cent unemployment rate in this country?

Why is the SBDC located only in Port of Spain? Should there not be branches? In Tobago there is one. SBDC has to be decentralized more, in the way you deal with the ADB and other organizations. For instance, I do not know if the system has changed now, but maybe the Minister can tell me. In order to get that loan with SBDC you have to come up with a proposal first. Somebody has to do a proposal for you.

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When I examined these proposals the way they were formulated, I remember during my stint in the bank when we had to do commercial credits for hundreds and thousands of dollars, you had to do a similar proposal. Here you have somebody coming for a loan of \$5,000.00 or \$10,000.00 and they want one of the most detailed and sophisticated proposals. These poor little people have to go to some big time consultants to get these things done.

I know that Mr. Valley will talk about some advisory service they have, but these small people go to these consultants and pay to get proposals done that show fancy projections and make fancy assumptions to ensure that the loan looks good. When you go to the commercial bank you first get the bank to approve your loan because they have to see whether it is viable, then you take it back to the SBDC. There is a whole long complicated procedure for getting a loan with the SBDC.

Mr. Sudama: They want collateral.

Miss Bhaggan: Yes, they want collateral. Now they are talking about the Government guarantees it, but the kind of measures the banks take to scrutinize these loans, to a great extent causes many people to turn away from the bank. You do not automatically get a loan. The commercial banks have to ensure that those loans meet their internal criteria. It is only when the commercial bank agrees to lend the money, then it is taken back to the SBDC for the guarantee. I do not know if that system has changed.

I have had the experience of dealing with young people with similar problems of wanting to set up their own businesses and I helped them to go to the SBDC to get loans, so I know what the procedure is. I hope that the Government will tell this House whether that has changed.

Mr. Valley: Madam Speaker, I just wondered whether the hon. Member would inform us when she was helping these people; whether it was 1992 or before that time.

Miss Bhaggan: My question is: Has the procedure changed? The Government will have its chance to tell this House if the procedure has changed.

The other point has to do with this free zones. The hon. Minister of Trade mentioned the Trinidad and Tobago Free Zones Company and said we need to have some amendments to be able to attract investors. It sounds very good. Then, with all his glee and glory, he says two free zones companies have transferred

themselves from Miami and Panama to Trinidad and Tobago. I wonder why. Is it because of the high unemployment rate and the fact that when you have high unemployment levels, your wage levels would have been automatically pushed down? Is that the reason?

We are not against investment, but we are saying—and you should ask the trade union movement about this. The experience with free zones in the Caribbean has been a bitter one. There are persons, companies and investors who set up free zones in these regions, and as a trade unionist, you dare not try to organize labour there, because it is virtually a modern form of slavery.

Many of these companies have to do with assembling micro components which require microscopic glass and all kinds of radioactive materials. Studies by the ILO have shown that women are in the main, employed in these free zones. Secondly, the harmful effects of the various industries involved in this have had a negative impact upon women, especially pregnant women. The whole question of the conditions under which people operate or work is extremely likened to the conditions of slavery. It is a new form of slavery.

This Government wants to create an environment to attract people to the free zones. Therefore, we are saying that if you want to create employment and bring the free zones, bring them, but let us ensure that there are at least minimum standards being maintained in those companies, with respect to not only wage levels, but safety and health standards. I do not think there is anything else I ought to respond to with respect to that Minister.

I want to look at the question of young people, because this Government spoke about young people and setting up some authority to bring together all the various programmes to do with training of young people. As usual, the training component is being emphasized, but the job creation component is not being exercised, because while on one hand the Government is speaking about job creation, when you look at the measures in this budget they clearly indicate to us that the private sector will create the jobs.

5.45 p.m.

The Government will get itself back to becoming a spectator rather than an interventionist in the affairs of this country. It is very clear that this Government does not have an interest, and cannot create employment. So, Madam Speaker, where is the hope for the young people of this country?

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When I look at the moneys being allocated to YTEPP, that is fine, but I am saying that part of that money ought to have been redirected to having a special fund for young people to have easy access to credit without the bureaucratic red tape we have now. The Minister of Trade spoke about the Business Advisory Service. I am aware of that service, and I am saying that that service is not as effective as they would like to have us believe.

What I would have liked him to tell us is not how many people benefited from receiving the service, but out of those businesses which have been set up under the advice of the Business Advisory Service, how many are showing signs of succeeding. There has to be a relationship between the advice they get and the success rate. There has to be somebody coming up with an idea for a project with some kind of service being offered for conducting feasibility studies, which will direct these young people to where they ought to go with minimal capital requirements, with minimal kinds of skills, in the short term, and also to provide infrastructure to allow them to operate without incurring the overheads presently being incurred in this country.

How can a young person, if he wants to go into some kind of agro-industry, like the making of pepper sauce—and you look at the cost of utilities: water, electricity and telephone; the rental of premises and all the other inputs into an industry like that. It is quite clear that a young person, with little experience, now starting a small business, cannot survive in this environment.

So, what are we doing? We are training, retraining and over-training but we are not down the line setting up a progressive mechanism which will allow the system to absorb these people. We are not saying that the state ought to employ everybody, but we are saying that if you say that you are going to reduce your intervention of what happens in the national economy, in so doing you have to, at the same time, set up parallel machinery, mechanisms and systems which will allow a smooth transition from one to the next. As it is right now, there is not going to be a smooth transition. When I look at the budget again, judging from my experience in my own constituency, and I look at the price of water, a basic essential commodity, I cannot see how agro-industry is going to survive because agro-industry, as far as I know, is one of the industries which uses much water.

This Government has seriously to look at the programmes it is talking about. They are mere words. There are no concrete plans. What I find is totally unacceptable is when the Ministers on the other side, in this debate, stand there

and read prepared texts just to let us know what they plan to do, but are not explaining, based on the queries we on this side have raised. We are saying that we agree that you must give us the Government's position with respect to your particular portfolio, but we would like to get a response to the queries we are raising.

In summary, I wish to state that this budget, like a thief in the night, is going to attack us while we keep our doors and windows open. This budget is a sneaky budget. It is not one where you openly raise things. Much of the population is feeling quite safe thinking that this was a really good budget. For those who voted for the PNM, they are saying, "Do you see what a good Government we have?" I want to alert this population to the fact that this is not about good government. In fact, what this Government ought to do, really, is disband itself, allow the state machinery to run it and allow the World Bank people to assume positions in the various ministries and help them to prepare their speeches.

This Government spoke about being a Government in exile and about the plans they have to solve the problems of this country and as soon as they become elected they have a master plan to create employment. I am saying right now that that Government, because of the promises it made, based on which people voted for it, has been unable to fulfil. In fact they held some symposium on how to create employment. This Government does not have credibility. This is the Government which opposed foreign intervention in Grenada, but today is allowing foreign intervention in the form of the IMF and the World Bank.

Our Ministry of Finance is part of the international Ministry of Finance—Busherism, Thatcherism, Reaganomics—failed economics, Madam Speaker. The challenge, therefore, is for this Government to come up with an alternative. It is commendable that they have attempted, at least, to put the *Medium Term Policy Framework* before this House. What is not commendable is the fact that it was brought one week before the budget. We did not get a chance to scrutinize and debate it, yet the budget comes later and the budget is premised on that document. Like the West Indian Commission we were not able to debate it. I hope that the Minister of Finance or, whoever is in charge, will bring that medium-term document for debate to this House.

You see, when we become the Government, in 1996, we will be inheriting the problems created by the policies of this Government within these five years, so we

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want to have a say as to what these policies ought to be. As I said before, this Government was here for 30 years; it was a different time. While they were in exile, the Berlin Wall came down and so the world changed. Everything is topsy-turvy. In fact, the world now is in transition. In fact, the world, as I would say, is in disorder and to suggest to this country that there is now one model that they can push down our throats when the world is still in transition, is to suggest to us that this Government does not know what it is doing. If you study the international developments, it is quite clear that things are not static as they themselves have been saying. So, when you are looking at the policies, you must look at the changes taking place in the world and look at what is happening internally.

Another point I would like to make has to do with the question of Caribbean and Latin American integration. Our Minister of Foreign Affairs does not speak much in this House. He travels much, I think, and he was a very good person when it came to acting. As I mentioned to him before, this is no longer a stage in Naparima Bowl or Queen's Hall, this is the world's stage and so, if this Government is placing Trinidad and Tobago on the world's stage, he has to do something about his acting capacity because he is a very poor actor. I have not been hearing this Minister espousing what is the foreign policy of this country with respect to several things happening in the world. All we are having is the Minister of Trade making speeches telling us things which he thinks we do not know.

The Minister of Finance made a lovely preamble to the budget. It would have been nice to discuss at a university, but with respect to the real hardcore foreign policy of a Third World country in this part of the world, in context of the North and the South, in context of the trading blocs, in context of the oncoming onslaught of trade wars, we do not know what we are doing. What is going to happen to us is that when the trade wars start, the scud missiles are going to hit us. What are we going to do? Perhaps, we will look to the United States for help, but the United States itself is in big trouble, so how are they going to help us?

5.55 p.m.

The point, therefore, is that we have got to help ourselves. I wish to support the view of the Member for Couva North when he said this is a small country, 1.2 million people, petroleum, rich natural resources, marine resources, little land space, talented and willing people. Why are we not moving forward, Madam Speaker? The other side wants the Opposition to give them a free hand to sell out this country. We are saying that the approach of the Government now cannot be

the approach of the 1960s. Things have changed. But maybe they could not get newspapers to read or look at television, because they were in political exile somewhere in the jungle and, in fact, they had gone to the bush. So this Government cannot quite understand the dynamics of the world. They come back now with the dynamics and the policies of the 1960s to try them out in the 1990s. Eight years away from the year 2000 and this Government is still trying its old politics.

As I said in my last debate and I will say it again today, Madam Speaker, they are bringing old wine in new bottles. Same old wine but this time it is in new bottles.

Also, Madam Speaker, let us make one thing clear. The oil industry is the mainstay of this economy. This Government makes many commitments and promises and all kinds of fancy speeches about diversifying this economy. This budget does not say that this Government is serious about it.

Madam Speaker, I want to recommend to this Government that even if they have to go back and bring another budget some time, do it, because as we continue to sell out our natural resources, our assets and our patrimony to pay off our debts and then borrow, again, we are going to find ourselves in what is called a new form of bondage.

We are against slavery and indentureship, well, what this Government is doing now is finding a new form of bondage for our people. In the same way when people were slaves or indentured labourers and came here and could not leave and did not have freedom, we too will not have freedom. Because as long as we are trapped in the burden of debt, it means that we, our children, and our grandchildren will inherit that bondage. We now are bonded slaves in this country and we cannot escape it. There is no longer anybody to come here and ask for our freedom.

I want to suggest to this Government to look at its borrowing. This country is going into deep debt, we are sinking deeper and deeper, the trickle-down economics approach will not work. We are selling out and borrowing to sell and selling to borrow, all kinds of things.

Madam Speaker, this Government has to clarify its mind in the context of world development, domestic needs and taking into consideration the impact of its policies on the people of Trinidad and Tobago. The question is, are we preparing ourselves towards the 21st century?

We on this side cannot support the measures espoused in the budget of 1993.

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The Minister of Works and Transport (Hon. Colm Imbert): Madam Speaker, I rise with pleasure to support the 1993 budget presented by the hon. Minister of Finance, one of the finest Finance Ministers who has ever served Trinidad and Tobago.

Madam Speaker, before I deal with the implications of the 1993 budget on my Ministry, I will take this opportunity, as well, to look at some of the achievements of the Ministry of Works and Transport in 1992.

Let me deal with a small issue first, Madam Speaker. I noted in the contribution of the Member for Couva North a number of insinuations and allegations. All I will say is that if there are persons in this House—

Mr. Maharaj: I wonder if the Minister would give way to a question.

Hon. C. Imbert: I have not even started yet.

Mr. Maharaj: But you gave an insinuation. Would he deny that a Minister of his Government is supporting the Maritime bid?

Hon. C. Imbert: Madam Speaker, as I said, those who seek to throw big stones should be careful that they do not miss the mark and return to do more damage to those who throw them than those at whom they are thrown.

Madam Speaker, it is now my pleasure to outline the mission of my Ministry. The Ministry of Works and Transport seeks to efficiently and effectively provide and maintain safe sea, air and land infrastructure for the improvement of the quality of life of the citizens of Trinidad and Tobago.

In 1992, Madam Speaker, the Ministry's development programme expenditure amounted to approximately \$33 million. I now wish to go through a brief report of the achievements in 1992 and the plans for 1993. I start with the Highways Division.

In 1992, construction work continued on the upgrading of the Churchill Roosevelt Highway between Golden Grove, Piarco and O'Meara Road, Arima, a distance of approximately six kilometres. The project began in July of 1991 and roughly 80 per cent of the entire project has been completed to date. Commissioning is expected in early 1993, at a total cost of some \$39 million.

Secondly, Madam Speaker, another project which, for me, was a personal milestone in 1992 was the repair to the landslip on the Solomon Hochoy Highway. These repairs have been completed. They were completed in October, 1992. It is not the practice of this Government to engage in the continuous cutting of ribbons

and opening ceremonies. As a matter of fact, Madam Speaker, my Ministry has completed three major projects this year and we have not engaged in any time-consuming ribbon cutting ceremonies. One of them was the landslip on the Solomon Hochoy Highway.

It is anticipated that with the completion of this project, a long-lasting solution has been found for the slippage problem in this section of the Solomon Hochoy Highway, to the delight of north-south commuters and the general travelling public.

Another personal milestone of mine, Madam Speaker, was the repair to the Mayaro Bridge, bridge B-146 on the Manzanilla/Mayaro Road, which collapsed in August 1991. Reconstruction work was completed this year. It was undertaken jointly by the Government with kind assistance from the Amoco Oil Company. This repair is now complete and the bridges branch has informed me that this previously defunct bridge can now take loads of up to 15 tonnes. That is another achievement of the Ministry of Works and Transport in 1992.

With the reinstatement of this bridge, life in the Mayaro/Manzanilla area has returned to normal for businessmen, school children, oil workers and other firms in the area generally.

Additionally, in 1992, Madam Speaker, work continued on the formulation and development of the rural access roads and bridges programme to be funded jointly by the Inter-American Development Bank and the Government of Trinidad and Tobago. It is expected that this project will be phased over a four-year period and it will involve the construction of some 48 bridges and 160 kilometres of rural access roads. The Highways Division of the Ministry of Works and Transport will be the main supervisory and executing agency.

It is my pleasure to announce in this honourable House, Madam Speaker, that due to the hard work of the Highways Division and the Planning Unit—

Mr. Sudama: Would the Member give way to a question? Forty-eight bridges and 40 kilometres, he is going to be supervisory agent. Could he tell us where these access roads will be and where these bridges will be and whether the respective Members of Parliament have had an input in determining that programme?

Hon. C. Imbert: Madam Speaker, I was unaware it was question time.

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Madam Speaker: Will the Member pose the question and the Member can answer. Proceed, please.

Hon. C. Imbert: I was coming to his question, if he only had patience.

I have the pleasure, Madam Speaker, to announce to this honourable House that due to the hard work of my Highways Division and Planning Unit a US \$35 million loan was approved by the board of the Inter-American Development Bank some few weeks ago for this project. Already, supervisory consultants have been selected, designs have been completed for a sample of the bridges and a list of contractors have been pre-qualified. Tenders for construction are expected to be invited shortly. The construction work is expected to commence early in 1993.

Madam Speaker, the roads and bridges under the rural access roads programme, strangely enough, the majority of them fall in areas not at the present time represented by the PNM. I am certain that situation will change in the future, Madam Speaker. I have a list here of a number of roads: Plum Mitan Road; Kernahan Trace, I think that is a road in the constituency of Couva North; La Fortune Trace.

Mr. Sudama: Where is that?

Hon. C. Imbert: You do not know where that is? That is in Victoria. We also have bridges, Madam Speaker, the B-11 Piparo Road; B-15, Couva Main Road; B-16 Cumuto Road; B-140, Naparima/Mayaro Road and, as I said, Madam Speaker, 48 bridges and 160 kilometres of access roads, the majority of which are in areas now represented by Members of the other side, soon to be represented by the People's National Movement.

Madam Speaker, in addition, a contract for a comprehensive highway development study is expected to be awarded shortly. The work programmes of the consultants carrying out the study will be divided into two phases, including data collection and inventories, a road plan, establishment of a computerized data base of all of our roads, a programme of institutional strengthening within the Government system. Phase two will deal with final designs and a loan application for a major road rehabilitation funding programme to the tune of some US \$70 million, which we expect to draw down in 1995. The study is designed to inform major investments in highway infrastructure in Trinidad and Tobago in 1993 and beyond.

I turn now to drainage and irrigation, a very fond pet area of some Members of the other side. During 1992, construction activities focussed on two major projects, the Caroni widening and dredging phase two; St. Ann's River, phase one.

The current phase of the Caroni River project involves widening and dredging of the river from the Uriah Butler Highway to the silver bridge and the insulation of gates and pumps to alleviate flooding in St. Helena, Caroni Village and so on. The project is at present 42 per cent complete, construction work is continuing and it is expected to be completed in mid 1993. The cost of this project is \$2 million, Madam Speaker, which figure represents more than 60 per cent of all development programme allocations for the Drainage Division for the entire country.

I make this point, Madam Speaker, to show that while Members on the other side like to complain that they are being neglected, they, in fact, received the bulk of expenditure in several divisions of the Ministry of Works and Transport during 1993.

During 1993, a major feasibility study, at an approximate cost of \$1.2 million will be undertaken at the Caparo catchment with a view to determining the suitability of constructing detention basins to alleviate flooding and erosion in the catchment of the Caparo basin, which includes Caparo, Montrose, Flanigan Town, Todd's Road, Longdenville, Mamoral. These are all areas not now represented by the PNM, Madam Speaker.

This study, together with studies planned for the Ciperó and Marabella Rivers—areas represented by the PNM, Madam Speaker—will form the basis of drainage infrastructural works to be carried out by the drainage division in our south and central regions beyond 1993.

I turn now to my construction division, Madam Speaker. The construction division of the Ministry of Works and Transport performs a major consulting role for the Government in respect of supervising the construction of major public buildings and facilities funded under the Fincor facility. I have here the latest progress report of the Fincor programme. The Ministry of Works and Transport, Madam Speaker, has been involved in the following projects to date: Mayaro Composite School, Cedros Composite School, Princes Town Magistrates' Court, Morvant Fire Station, Arima Fire Station, Naparima Bowl, Tobago Sewage Treatment Plant, Crown Point runway extension, Civil Aviation traffic control radar, San Fernando Supreme Court, a natural science block for the University of

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the West Indies, Chaguanas Fire Station, landslip for the Solomon Hochoy Highway.

We are also involved in co-ordinating activities at several schools, I will name them: Springvale, Mohess Road, Siparia, Matura Government, Sangre Grande, D'Abadie, Gasparillo, Reform, St. Mary's Children's Home, Guayaguayare, Parlatuvier, Mason Hall, Bon Accord, Black Rock and Roxborough. I list these, Madam Speaker, because Members on the other side tend to come to this honourable House time and time again and say that the Ministry of Works is doing nothing. But the facts do not bear that out.

The projects I have listed here have provided employment in the short term for many thousands of persons in 1992.

Madam Speaker, I now move to the Airports Authority. During 1992, the Airports Authority undertook wide-ranging construction activities at its Piarco terminal building to improve facilities for immigration processing on the one hand and to increase accommodation for duty free concessionaires on the other. Work on the arrival hall area, completed in rapid time before Carnival 1992, significantly eased the processing and flow of arriving passengers. This project also reduced expenditure normally incurred in sending customs officers to the United States to pre-check the expected heavy influx of passengers at that time of the year.

The project to increase space to accommodate additional duty free shops in the arrival area is now well advanced and it is expected that this project will be completed at the beginning of December. A noteworthy feature of this project, Madam Speaker, is that funding was provided largely by the duty free concessionaires themselves. The project was, in fact, self-financing. The Airports Authority did not need to put any money into the project. It is expected that this venture will lead to increased revenue to the Airports Authority.

The Authority also constructed vending malls in the south-western fringe of the terminal building to accommodate vendors who previously conducted their trade on the roadside. You see, Madam Speaker, we in the PNM are a caring Government. The vending mall is currently being fitted with running water and toilet facilities with a view to maintaining high sanitation standards.

The major project activity, however, of the Airports Authority, in 1993, is expected to be the commencement of phase one of the Piarco International development project. This project entails significant expansion and redevelopment

of airport facilities at an estimated cost of some US \$75 million or over TT \$300 million. The project is expected to generate direct employment for approximately 1,500 persons during the construction phase, and is expected also to bring in some 1,500 permanent jobs after construction in related commercial activities derived from the coming on stream of the project.

Madam Speaker, it is anticipated that—

Mr. Humphrey: Would the Member give way to a question? The improvements to the existing facilities, what will these be used for when Project Pride comes on stream? Because they are improving the facilities south of the airport and Project Pride is north. So how are they going to utilize the improved facilities in the existing terminal building when Project Pride comes on stream?

Hon. C. Imbert: Madam Speaker, as I said, I was unaware this was question time.

Nevertheless, the project has a gestation period of some three years. In the interim period, we must have an airport building operating efficiently and productively. It is expected that the entire estate would be incorporated into the expanded Piarco Airport in the medium to long term.

Madam Speaker, I would also refer Members on the other side and the national population to activities of the traffic management branch of the Ministry of Works and Transport. The traffic management branch has developed schemes in Port-of-Spain and San Fernando central business districts, together with parking measures which are all intended to improve the efficiency of traffic flows. The branch has undertaken major upgrading work at 15 intersections throughout Trinidad and installed traffic lights at several locations in 1992.

In 1992, the road safety plan of the Ministry of Works and Transport, which was designed to reduce traffic accidents by 10 per cent, achieved this target. Plans for 1993 involve a road safety programme covering the three-year period, 1993 to 1995, aimed at further reductions in traffic accidents.

May I say, at this time, Madam Speaker, that the work of the traffic management branch is borne out in the statistics for accidents which have shown reductions over the last several years since the branch has been conducting road safety programmes.

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In addition, a programme designed at remedial measures to curb traffic accidents at black spots and other traffic prone sites will be pursued in 1993.

I now turn, Madam Speaker, to unemployment relief programmes. I take this opportunity to assure this honourable House and the national community that I have the fullest confidence in the Parliamentary Secretary in the Ministry of Works and Transport.

I noted during the contribution of the Member for Chaguanas, the Member spoke about a complaint about some alleged irregularities regarding a person in the LID Programme. I think the Member for Caroni East said *sotto voce* that the person should have been removed immediately. It appears that the Member for Caroni East is attempting to develop an unemployment relief programme for his own Members since, if the Ministry did not satisfy itself first that allegations of irregularities were, in fact, true, they would provide employment for the Member for Couva South.

Let me talk now about the achievements of the LID Programme in 1992. The LID Programme has come under heavy fire in 1992, Madam Speaker. There have been all sorts of allegations, ol' talk, misinformation and flimflam about the programme. These were irresponsible statements in the main, Madam Speaker. The production in this programme, in 1992, has been nothing short of tremendous.

I would now like to read into the record the performance in various of the LID programmes in 1992. In 1992, Madam Speaker, 77,495 feet of box drain was built under the LID Programme; 74,351 feet of sidewalk was built; 25,584 feet of retaining wall was built; 32 bridges were built; 42,762 feet of roads were built; 4,700 feet of curb wall; 20,292 feet of curve and slipper drain; 2,000 feet of handrail; 9,000 feet of car park; and 3,760 square feet of recreation and hard court facilities. I could go on and on, Madam Speaker.

Needless to say, that when this is compared with the production in 1989, 1990, 1991 and so on, the records of my Ministry indicate that with actual expenditure of approximately 40 per cent of what was expended on the programme in 1991, the programme actually achieved more than 200 per cent of what was achieved in 1991.

6.25 p.m.

These are the official figures, Madam Speaker.

In addition, the figures I have received indicate that we achieved a materials to labour ratio of 3:1 which was the target set in early 1992 by my ministry. Just for comparison, in 1991, the materials to labour ratio in many areas was as high as 1:7. No wonder there was very little productivity in 1991.

Additionally, I would like to clarify certain aspects relating to the allocations and expenditure on the LID Programme in 1992. The initial allocation on the LID Programme in 1992 was \$90 million. It became apparent very soon in the new year that there were substantial arrears and bills—money owing for commitments incurred in 1991. Initially, we thought we could cap these at \$30 million. The last figure I have received is that payment for materials ordered in 1991 and other expenditure for labour incurred towards the end of 1991 which spilled over into 1992 have cost \$40 million. What this meant was that when we received additional receipts from the Unemployment Levy Fund to the tune of \$30 million and we took our expenditure up to \$120 million, we in fact only had funds available in the amount of \$80 million. So, what we have achieved here was with an effective allocation of \$80 million. The expenditure in 1991, by comparison, exceeded \$170 million.

I would now like, Madam Speaker, to give some indication of employment levels in 1992. The total number of jobs offered in 1992 was 95,882 which indicated employment for over 47,000 persons.

Now, I would like to call out some pertinent statistics. It has been often alleged by Members on the other side that supporters of the PNM received gratuitous employment consistently throughout the year on the LID Programme. My figures have shown me that some 47,000 persons received between one and four fortnights employment in 1992. When we go higher up, we see that 299 persons received eight fortnights, which is only four months. I understand that over 220,000 persons voted for the PNM in 1991. If the programme has only been able to offer four months' employment to 299 persons, and that is political patronage, then I do not think that we would fare very well in the next election.

Additionally, Madam Speaker, the majority of persons received between one and three fortnights. I hope therefore I have been able to debunk the myth that thousands of PNM supporters received continuous employment in the programme during 1992. This is simply not true.

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The persons who received more than four fortnights in the main fell in the specialist categories, such as electricians, draftsmen, chain men, surveyors' assistants, and so on. As a rule, the majority of employment was in the labour category where over 60,000 employment opportunities were offered.

It is therefore a complete fallacy as the Members on the other side are wont to go around the country saying, that the LID Programme exists to give only PNM people work. That is just not true.

Mr. Palackdharrysingh: Continue to fool yourself.

Hon. C. Imbert: The programme was spread equitably among needy persons throughout Trinidad.

Madam Speaker, at this point in time, I would like to give some projections for 1993.

Mr. Palackdharrysingh: State the criteria also.

Hon. C. Imbert: The LID Programme has been allocated \$130 million for 1993. With continuing improvement in productivity and efficiency and with adjustment to certain aspects of the programme, we anticipate that we can increase the employment opportunities in 1993, with just \$10 million more in actual allocations, by some 70 per cent. That is what our initial calculations are showing. It appears that we will be able to offer employment to some 150,000 persons in 1993, or, put another way, employment opportunities for 150,000 will be offered fortnightly in 1993.

Hon. Member: Or under-employment!

Hon. C. Imbert: That is our projection; an increase of some 70 per cent over 1992, all because of the hard of the LID Unit of the Ministry of Works and Transport.

Mr. Palackdharrysingh: What are your criteria?

Hon. C. Imbert: Madam Speaker, under the Public Sector Investment Programme in 1993, approximately \$42 million is budgeted for expenditure in the transport and communication sector. As I have mentioned before, of this sum approximately \$30 million is earmarked for funding roads and bridges rehabilitation and construction.

The completion of the dualling of the Churchill Roosevelt Highway will continue up to O'Meara. We are looking now at a variation of the highway project to accommodate access to a number of industrial and agricultural sites and residences along the highway in the Mausica to O'Meara area. We expect this highway improvement project to significantly reduce congestion in the East-West Corridor and thereby facilitate national productivity growth.

In addition, the first tranche of a \$56 million European Economic Commission loan is expected to be drawn down in 1993 for the commencement of a nationwide programme of road rehabilitation. We expect further drawdowns in 1994 and beyond.

Madam Speaker, in this short contribution it is my hope that I have been able to demonstrate the fallacy of statements made on the other side. The Ministry of Works and Transport has made tremendous achievements in 1992. It has made tremendous progress. Its major role as a facilitator of construction activity is borne out in the statistics for gross domestic product and I would like to read them from 1987 onwards.

The gross domestic product for construction and quarrying in 1987 was approximately \$1.39 billion. In 1988, it was approximately \$1.37 billion, a decline. In 1989, it was \$1.25 billion, a further decline. In 1990, it was \$1.25 billion. In 1991, a year in which there was tremendous expenditure in the construction sector, it rose to \$1.36 billion. I am happy to say that for 1992, the projected gross domestic product for the construction sector is \$1.42 billion, the highest level in that sector since 1986.

I think it is therefore proper to say that the efforts of the Government and the efforts of the Ministry of Works and Transport along with the other major development ministries such as Planning and Development, Housing, Public Utilities, and so on have been able to breathe some life into the construction sector which is a prime mover of the economy and we expect this sector to grow from strength to strength in the years to come.

Therefore, Madam Speaker, with this brief contribution, again, I support the Minister of Finance with whose assistance—

Mr. Humphrey: Before the Minister sits down, would he give way to a question? It is not question time but this is part of the debating process.

Madam Speaker, the Minister indicated that the efficiency of LIDP has improved tremendously with a ratio of three materials to one labour. Am I correct?

Hon. C. Imbert: It is three labour to one material.

Mr. Humphrey: Oh, it is three labour to one material. I was going to ask the Minister if in fact it was as efficient—three materials to one labour—whether his Ministry would not be able to persuade the foreign lending agencies that LIDP is a suitable agency for the execution of the access roads and bridges programme for US \$35 million, which would give him a lot more money to release to those who need it?

6.35 p.m.

Hon. Imbert: Madam Speaker, let me correct the Member for St. Augustine. The ratio of materials to labour was in fact 1:3 in 1992, whereas in 1991 it was 1:7. I have listened to his proposal and, like many proposals coming from the Member for St. Augustine, there is merit and certainly I will consider that proposal. I am not sure whether it can be facilitated under the arrangements. I doubt it. But for the future it is certainly a proposal worthy of consideration. I therefore, Madam Speaker, wish to commend the Minister of Finance for his safe, steady hand on the pillar of the national economy and I commend this budget to the national community.

Thank you, Madam Speaker.

Mr. Shamshuddin Mohammed (Caroni East): Madam Speaker, I join this debate at this time and I must say, I was quite amused by my friend the Member for Diego Martin East, in some of the submissions he made to this honourable House. The logic in some of his arguments eluded me and continues to elude me. For example, Madam Speaker, 47,000 persons got one to four fortnights' work. 299 persons got eight fortnights' work, but 220,000 persons voted for the People's National Movement. The inference or conclusion he wants us to draw, therefrom is that all who voted for PNM did not get work.

That is not our argument. Our argument has never been that. Even in respect of those who got employment, we are saying that there was high discrimination in the selection of those persons who got work, whether 85,000, 47,000 or whatever it might be. We have been submitting to this hon. House—and our Members have been drawing to the attention of the Minister—the fact that there is rampant

discrimination in those projects. No mechanism, no appropriate criteria, notwithstanding what he may have enunciated in the past, have been followed in the selection of people on these projects. That is a fact. He never informed this House of the criteria that are used for selecting those women who go to the schools as cleaners. He has not done that. No principles are being followed in the recruitment of those people.

Hon. Member: Party card!

Mr. Mohammed: It is still a question of patronage and I want to say to my friend the hon. Minister—

Hon. C. Imbert: Would the hon. Member give way? Madam Speaker, the Member is misleading this House. On numerous occasions the Minister of Works and Transport has had to answer questions relating to the criteria for recruitment of employment on these programmes and has done so. The Member for Caroni East is well aware of the criteria and is therefore misleading this House.

Mr. Mohammed: Madam Speaker, with the greatest deference to the hon. Minister, I am not concerned with the number of times the hon. Minister has enunciated those principles. I am saying that they are not being followed. That is the important point. I want to draw the attention of this honourable House to the fact that in Aranguez there is a gentleman who became a candidate for the People's National Movement and what was his job? He was the person recruiting labour for the LID project—

Miss Bhaggan: Seukeran.

Mr. Mohammed: Are you going to deny that? His name is Sammai. My very good friend from the St. Joseph constituency, I think, is quite aware of that and that name is familiar. In several other areas persons who actually came up to be candidates for the PNM were the persons who were, in fact, recruiting names on the project.

Miss Bhaggan: That's right.

Mr. Maharaj: We better include that in the terms of reference.

Mr. Mohammed: The hon. Minister—and he has not made a correction in the newspaper—said that there were some ghost workers and that he had an investigation going on.

Mr. S. Panday: The ghostbusters.

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Mr. Mohammed: In fact, some of us actually dubbed him "the Ghostbuster". What has been the outcome of those investigations? In fact, names have been added to those lists. I would have expected the Minister to say something in the House today about it.

Mr. Imbert: Would the hon. Member give way? With respect to the first point he raised, I wish to state that candidates, or unsuccessful candidates for that matter—

Mr. Mohammed: He lost.

Mr. Imbert: No candidate or person who was unsuccessful in the recent election is currently employed in the LID Programme. With regard to the second point—

Miss Bhaggan: Up to now Vijay Seukeran is doing it.

Mr. Imbert: The Ministry does not pay persons whose names appear on the paysheet and it has been discovered that they did not work on the project—in answer to that.

Mr. Mohammed: I am afraid the hon. Minister has not answered my question. The point I am making about Mr. Sammai is that he was in charge of the recruitment of your project in Aranguez and he was a candidate for the elections. The fact is he lost and there were others like him. I am saying that is the patronage that we have been talking about, because it is recruitment policy.

Mr. Narine: Would the hon. Member give way?

Mr. Mohammed: You cannot take the blows, or what? All right, I will give you a break.

Mr. Narine: Through you, Madam Speaker, I would like to clear this matter up. From March this year the name that was called, Sammai, was screened by the Ministry of Works and was working as a Co-ordinator in the LID Programme. As he became a candidate he had to resign his job.

Miss Bhaggan: He still recruited—

Mr. Narine: Like good policies in Government, he resigned his job. He lost the elections, Madam Speaker, and up to this day he is out of the programme. I am just saying this for clarification. Thank you.

Mr. Mohammed: I must thank the hon. Member for Arouca North for so eloquently supporting my argument in that regard. Because the County Council local elections were just in September, so up to that point in time he was recruiting the labour. That is the point we have been making. The hon. Minister talked about debunking allegations. The hon. Member has not debunked the allegation because Mr. Sammai is not the only one. What about Mr. Vijay Seukeran?

Mr. Narine: On another point of clarification, Madam Speaker. Vijay Seukeran was working with the Amar group of companies—not with LIDP.

Mr. Mohammed: I am not giving way to the hon. Member again.

Madam Speaker: Hon. Members I cannot have two Members standing at the same time. You all know the rules.

Hon. Member: He said he was on a point of order.

Mr. Mohammed: He did not, I gave way to him. He never said a point of order. I am aware of the rules of the House. After all, they are generating heat and I am giving them heat and light. I am responding to the hon. Minister because I have to talk about agriculture and it looks like I would not even get to agriculture.

I am responding to the hon. Minister and I am saying that whatever guidelines he gave during the course of the year with regard to a fair and equitable selection of labourers or workers in the DEWD project, that has not been met. The LIDP workers—there is still rank discrimination and I wish to draw to the attention of the hon. Minister the fact that he had 237 projects during the course of the year, approximately. Do you know how many projects were in UNC areas in the 13 constituencies? Just about 39.

Mr. Allum: They were not allocating on a constituency basis.

Mr. Mohammed: That is significant. You disguise the division of Trinidad and Tobago into nebulous regions, so we would not be able to identify which constituencies got the projects. We have been doing it!

Mr. S. Panday: Wicked!

Mr. Mohammed: Mr. Minister, I have great confidence in you, in the context that you will implement this investigation about those ghost workers and the discriminatory practices. I want to tell you that the Member for Arouca North happens to be my good friend for many years. The fact of the matter is, “Bad John” or no “Bad John”, you said you reposed full confidence in him, but I am telling you, down the line, in our areas people do not like what is taking place and

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they do not have that confidence in him. So we want you to make little changes, little adjustments—make some adjustments. You have not told us about how the recruitment policy works with the females in the schools. What we would like to repeat to you is to try to be more equitable in your selection processes.

6.45 p.m.

I wish to inform the hon. Minister that I said something *sotto voce* and he did not even hear me correctly. You do not normally get up to comment on *sotto voce*; respond with the *sotto voce*, too. You misinterpreted my *sotto voce*. I never said that I wanted to create my own employment development programme. I never said that because I never got a single job on the LID project. I have asked my good friend of many years, and he has not given a single person work on a project for me.

Hon. C. Imbert: Madam Speaker, I do not think the Member heard me well. What I said was that with regard to the suggestion that persons be removed forthwith, without investigation of the allegations, would merely create an unemployment relief programme for the Member for Couva South. That is all I said.

Mr. Mohammed: Madam Speaker, I understand, but you are missing my point. You are not giving cognizance to the serious point that I am making, which affects all of us here. It is the perpetration of injustice and discrimination in the selection process on these projects. Do not be pig-headed. Try to analyze it and see what can be done. I said I repose confidence in you to do that. We call for some action in that regard. We have repeatedly complained about the irregularities. These are not irresponsible statements and vacuous allegations that we are making. They are substantive allegations and they deserve to be reciprocated by substantive investigation and action. That is what we are talking about.

Then my friend, the hon. Minister talked about the work of the Airports Authority. Do you know that somebody called me last night—I did not say one way or the other—on the telephone and said "Listen, airlines all over the world are closing down, you might remain with about six airlines. There are all sorts of talk going around at the airport and throughout this country that BWIA might even close down. Why are we going to spend \$300 million for airport facilities? For what?" I do not know. I am just informing this honourable House that this is what a senior person in this community asked; whether there is sufficient merit, solely on the question of employment, to go to that extent?

Mr. Imbert: Madam Speaker, on a point of clarification. I forgot to mention in my contribution that the project was designed to involve financing with no government guarantee, and there have been a number of expressions of interest from persons associated with airline companies to finance the project with no government guarantees. So, it appears that there is some merit in the project.

Mr. Mohammed: Madam Speaker, the fact of the matter is that I am not saying I am against what is going on. We have not been provided with sufficient facts and details with regard to that project. So, I cannot say that I am either for, or against, I am happy about the employment. I am just telling you what a responsible citizen of this country told me on the telephone, last night, for whatever it is worth.

The hon. Minister mentioned the Caparo Basin, I am happy about that. He knows that my friend from Caroni Central and I would be very happy with the announcement. The only concern I have is that it is a study again. No details of how long the study will take, and when the action will come as a consequence of the study. However, we are grateful for that. He spoke about the Caroni River and the dredging operation. I just wish to remind him that that project goes many years before his assumption of office. I am happy still that he has been able to continue, but I wish to point out to him that one of the fertile areas of this country, the Aranguéz Basin, right now is threatened by the malfunctioning of the dam in Aranguéz, cutting the Mullins Canal, in proximity to the Caroni River. I trust the hon. Minister will take note of that and see whatever necessary repair works can be implemented for the benefit of the farmers.

Madam Speaker, my friend and I always seem to have a crossfire on the issue of flimflamming. He said they do things on that side and they do not look for flimflam; he has three projects. But I saw Members on that side travelling on the seas, nearly falling out of the boats, going over to Nelson Island to take pictures. Everyday on the television we see the Prime Minister and other Ministers—*primus inter pares*, that is Latin for first amongst equals. *[Interruption]* Parliamentary language. We will have to move an amendment to the Standing Orders to incorporate vernacular expressions, whether from Latin, Hindustani or Spanish, as we had today from my sister here, and other relevant jargon.

Madam Speaker, those were some of the points made by my Friend, the hon. Minister. He was very brief, as usual, but however, I enjoyed his submissions. Whatever improvement works he did to the Mayaro bridge—I have a paramount

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interest in that area—I thank him, and also on the southern link of the highway; but it leaves a lot to be desired from that Ministry. The LIDP projects and other areas must be scrupulously examined by the hon. Minister in order to effect some improvement.

In this honourable House, when I see that we are dealing with the national budget, I become concerned to note that, for example, the Member for San Fernando East, the Prime Minister, is not here. I note that the Member for Diego Martin West, who is the Minister of Agriculture, Land and Marine Resources, is not here. We talk about the principle of collective responsibility, which is the genesis of our function in the parliamentary democracy—

Mr. Valley: Madam Speaker, I think the hon. Member—

Mr. Mohammed: You want to make excuses again? Let me make my comments, please. Is it a point of order, or do you want me to give way?

Mr. Valley: I am just asking you to give way.

Mr. Mohammed: Please allow me to complete before I give way to you, Sir. I am making a serious constitutional point, now. If it is a point of order, I will sit down, other than that, I will ask you to bear with me, Sir.

Madam Speaker, the point I am making is that this Chamber that we are in, and this collective assembly of people represent—according to Jennings and Dicey, Wade and Phillips, Hood and Phillips and everybody—the sovereign will of the people. The Minister of Planning and Development came this morning, read a speech and left. The Minister responsible for National Security—when the Member for Chaguanas made very vital and important points—is not in the House, and this is the national budget debate. So too, you have others. *[Interruption]* Yes, the Minister of Trade, Industry and Tourism came here, and like a parrot, read a few brief notes and disappeared from the scene. What contempt this Parliament has been treated with. *[Interruption]* If you wish, I will give way, now.

Mr. Valley: Madam Speaker, I just wanted to remind the hon. Member that the Leader of the Opposition came, read a speech and also left.

Mr. Mohammed: Thank you very much. The Leader of the Opposition is the Leader of the Opposition. We are talking about the people who are responsible for implementing the resources of this country. *[Interruption]* Yes, that is what I am saying. They are Ministers of Cabinet.

6.55 p.m.

What veritable Leader of the Opposition is here? Is the veritable Prime Minister here to?

Madam Speaker: I hope the Member understands that his time is quietly slipping by and he is not getting on with the debate.

Mr. Mohammed: I must make that submission. I wish to say that the Minister of Finance, my good friend, delivered a budget speech that is made up of 58 pages, spent over two hours and delivered about 14,000 words in this honourable House, but do you know what happened? The Member for Couva South made reference in the past to what is called "chirrup, chirrup".

His reference to agriculture in his budget presentation has been so dismissal, symbolizing, in my respectful view, the whole attitude of this Government towards agriculture. What did he say in this budget presentation about agriculture? Very little indeed. On page 31 about 13 words dealing with the CET, when agriculture will remain at 40 per cent after the various reductions. On page 32 he said 29 words concerning subsidies on agricultural products coming from other countries. On page 42 he speaks about the removal of the facility of the income tax. Nothing in this 58-page document, 14,000 words, two and a half hours presentation, about agriculture. That is my point to this honourable House.

A continuation of the contempt with which this Government has treated agriculture and the low priority it has in the whole Government's programme for this country. Then they will tell us look at your *Medium Term Policy Framework, From Stabilization to Growth, 1993 to 1995*. This is virtually a rehash of what was contained in the manifesto. We are saying that many of these things are written in beautiful words. *[Interruption]* Read the manifesto and then read the *Medium Term Policy Framework* and the Member will see what I mean. These are words. My submission is we have not had anything concrete with regard to this year's budget presentation that will give directions and show this country; that will chart a course for agriculture. That is precisely my submission. I will attempt to prove that in my presentation.

The Minister of Agriculture is not here. Is he politicking in Tobago? The Parliamentary Secretary in the Ministry of Agriculture has also left. Do you see my point? In the budget speech the hon. Minister spoke about a reforestation programme, using those expressions, but using the Defence Force. We have a

Minister of Agriculture and a Forestry Division. The Minister has not expounded anything to tell this House or the country, the mechanics of how the Defence Force is going to operate that exercise on the hills.

The budget says that he is going to spend \$15 million. In one of the divisions of the Ministry of Agriculture there are workers who for years have been engaged in that sort of exercise on the Northern Range. How is this project going to operate? Who is going to recruit the labour? Is it the Defence Force? What criteria will be used in recruiting the labour for spending \$15 million? You have not said anything, Member for Diego Martin East and Minister. Are you going to use the same criteria for the principles of LIDP?

Mr. Imbert: I do not know.

Mr. Mohammed: You must know. Collective responsibility in the Cabinet tells you, you ought to know. That is the principle of collective responsibility. Whether you are blamed or not, one takes for all and all take for one. That is the constitutional position of the concept of collective responsibility.

We have not been provided with any explanation as to how \$15 million is going to be managed and what is going to be the position of the cadre of workers in the Forestry Division who have been engaged in similar exercises. What is the difference between what was going on with them and what is contemplated on page 37 of this budget speech, as enunciated by the hon. Minister? We need to have some clarification.

On the question of the forest, we recognize that the trees constitute a very important part of any country. They protect the soil and hold the water. Years ago, the Member for St. Augustine propounded a philosophy of creating basins. We know the importance of the role of the forests and hillsides to the environment and to any nation. In the conference in Brazil a great deal of stress was laid on the virtue and value of forestry in any society.

Any programme or policy that is enunciated to improve the forestry and hillsides, of course, we on this side will be happy about it. What we are scared about is that that project will not end up as another LIDP. That is our concern. Before this budget debate is finished, I hope that somebody in this honourable House will be able to give us a satisfactory explanation as to the mechanics of that operation. We want to know.

We have an enterprise in this country that is called Tanteak, which is supposed to regulate wood processing in this country and deal with timber resources. When Tanteak came into operation years ago, about 70 sawmillers were associated with the project. What is happening today? We must know this because it is a very important part of our economy.

The present position is that the forests of this country are over-exploited. More than half of the sawmills of this country have virtually closed down, thus increasing unemployment and dependence on imported logs. There is an agreement called a concession agreement which regulates dealing with the forests. At the present time, Tanteak deals with teak and pine, two very important kinds of wood. There are other kinds of wood.

Mr. Allum: Expand. Lall's Hardware?

7.05 p.m.

Mr. Mohammed: I do not wish to expand on that. It has been established that there is a big problem with Tanteak because the managerial skill that is available at this enterprise is hopelessly inadequate and incompetent to deal with a proper programme in relation to our forests and the reaping of these two important types of wood—pine and teak.

Committees were set up to look at these, headed by Mr. Frank Persad, and there was a report by the IDC, which suggested that there should be a better relationship between Tanteak and the sawmillers. Nothing was done. Those proposals were not accepted, so Tanteak has remained with a monopoly. This monopoly has been unable for all these years to declare a profit. We are dealing with 25,000 acres of teak and 10,000 acres of pine under the control of Tanteak.

Tanteak has not been paying any royalties to the Government. It has even commenced a programme of exporting teak, and yet it has been unable to show a profit. For the last several years, there has been no profit whatsoever as far as this enterprise is concerned, and there have been many problems. Up to yesterday I had a discussion with sawmillers and they are suffering. Their equipment is under-utilized. They have had to lay off workers, so that no adequate forestry programme exists under this Government. We have not heard a single word from the Minister about this important resource in this country which falls under his ministry.

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These types of wood mature with age and everybody, all over the world, in the forestry business, knows that the older some of these wood types are, the better they are in quality. There are countries that would actually use their forests and the wood they can reap as an important resource, advantageously, in times of depression and recession. In other words, when things are good with the economy, they would allow the forest trees to grow and mature, and when things become bad, they will try to reap and sell them to make up the deficit in their country's income.

Tanteak has not shown any profits. I am saying all these things because certainly I would like the hon. Minister to institute a comprehensive investigation on the operations of Tanteak. That is a matter of urgency. That is a matter of priority. They are not paying their royalties; they are not declaring profits, instead they take a loan of \$30 million from the Caribbean Development Bank. There are no details.

The Opposition has complained, the Opposition has made proposals, which were soundly rejected by the Government, about the same idea of seeking loans. When you borrow and commit the country, you must come to this Parliament for approval. We do not know anything about that. Does any Member in this honourable House know, since he has been here for the past several months, that any proposal has come from the Government to get a loan of \$30 million from the Caribbean Development Bank to assist Tanteak? That was done. We know nothing about it. Tanteak, incapable of paying its royalties and showing a profit, has committed itself to a loan of \$30 million. We need to get some clarification and we would like somebody from the other side to do that.

Not only that, we certainly would like to know what is the total indebtedness of Tanteak. What loans does Tanteak have from the Agricultural Development Bank and the Caribbean Development Bank? What royalties remain outstanding? What other debts do they have? We would like to know, for example, what is the revenue of Tanteak. What sort of income is it able to generate by the sale of the wood with which it deals?

In these forested areas, an important thing is what they call thinning. Anybody dealing in forestry will know about thinning. It is a system whereby you go through and cut undesirable branches so that you will get a trunk that will be more mature and bulky. The information that I have is that Tanteak is very deficient in

this regard, not trying to get the proper help and not doing the type of thinning required to get a proper forest, to yield the type of wood that would really be economical. We would like to get some answers. We would like an investigation to be launched because there has been a history of corruption and bacchanal between Chairman of the Board and General Manager and appointments of people at Tanteak. We are calling on the Minister and the Government to institute an investigation in this particular matter.

I had made the point initially, and I stand by it, that the Government has not done anything of a sufficient nature to convince me, and I am sure to convince many people in this country, that it is genuinely concerned with agriculture; that it genuinely sees agriculture in the context of a mover of this economy. Where is the evidence? We do not have it. We have rhetoric and we have something documented somewhere and we hear about many studies. Can you image 14,000 words in a budget from the Minister of Finance and nothing that shows the way to assist agriculture in the country? That is our submission.

I have raised in this House before, and my colleague, the Member for Couva North and Leader of the Opposition in a very brilliant presentation here today, dealt with the question of the resources of the sea and this is very important. We are barely 2,000 square miles, but do you know that this country has available 15 times that amount of our land space as sea, as a resource? Are we truly concerned? Are we taking any positive steps to harness the resources of the sea for the benefit of this country?

We have some important species of fishes and I know my friend, the Member for St. Augustine, will be quite familiar with some expressions that I will use here in describing what we have. We have here in Trinidad and Tobago, for example, the coastal pelagic species, better known as cavalli, carite, king fish, flying fish and shark. We have the immersal type—red fish, grouper, tile fish and shrimp. We have the deep sea fish—tuna, sail fish, dolphin and sword fish. We have shrimp trawling, long lining, potting *a la vive*, which is called the live bait. That is the kind that they catch the king fish and the carite with and they have bait wells in the boats.

The average annual intake of carite and shark over the past 15 years has been 7.8 million pounds, with an estimated value of \$21 million per annum. In order to harvest this quantity, there is a total of 1,400 boats manned by a crew of 4,190. Overall, a total of 13,000 persons are directly and indirectly involved. The

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representative for Tobago is not here, but flying fish, which is considered to be quite a delicacy, abound in Tobago.

7.15 p.m.

We have 75 pirogues manned by 125 fishermen who are dealing with the flying fish industry in Tobago and 80 per cent of that catch of flying fish is exported, after primary processing, mainly to Barbados and other Caribbean islands.

The flying fish industry, Madam Speaker, is of significant commercial importance to Trinidad and Tobago if properly developed and could provide additional employment and even go to a wider foreign market. The questions we must ask are: What are we doing? What announcement has been made by the Government? What study has been done with regard to our marine resources to see how best we can harness those resources for the benefit of this country? My submission is very little or nothing, because I am saying, the Government does not have agriculture as any priority in its consideration.

Madam Speaker, with regard to shrimping, there are various types of boats that are used: the industrial trawlers, from 50 to 80 feet in length, medium range vessels from 35 to 50 feet and coastal pirogues, around 30 feet in length. These industrial trawlers are based at the National Fisheries port and you have about 23 of them in number.

The annual catch of shrimp is estimated at \$8.18 million and the fish account at \$2.45 million. So we are talking about those trawlers that are there at the National Fisheries, the waters around that area and I will come to that National Fisheries issue presently, Madam Speaker.

There are nine medium-rate trawlers at Orange Valley and San Fernando and they operate primarily in the Gulf of Paria. They account for a total annual catch of \$2.5 million in shrimp and \$0.24 million in fish. There are 192 pirogues which are engaged in shrimping, 60 are granted permits to work in Venezuelan waters, while 113 operate in the in-shore areas of the Gulf of Paria, from the Waterloo area down to Point Fortin. So you see what kind of activity we have in our waters. These are the people who need to be encouraged.

We always say and we have submitted on this side that oil is a wasting asset, that supply could be cut off, it could diminish, dissipate and disappear; diminish, dissipate and disappear. We should be taking some of the oil resources to augment our diversification programme in the sphere of agriculture, but we are hardly doing

that, so the oil will leave us and go and what will we remain with? We have to be very positive in our pursuit of diversification and consider the resources of the sea to be a very important area for such an exercise under the rubric of agriculture.

The shrimping industry has a landed catch value of \$17.91 million annually. I must make this very important point, as far as shrimp is concerned: Eighty per cent of the shrimp that we catch in this country is processed for export, earning much needed foreign exchange. That is what it is capable of doing. I must say, too, that at one time I had mentioned in this House a type of shrimp that is called the hopper. The people of the Americas find the fish and shrimp from Trinidad have a nice kind of taste. They have competitions from other countries with their shrimp, but ours have special juice and taste as if some of the land "bandhania" seeps into the water and gets into the shrimp and the fish. Do you know what "bandhania" is? Add that to the vernacular of this House.

The people in this business have instructed me in this regard and that is to say that the whole fishing and shrimping industry is disoriented and disorganized. They are not happy about it. I am making my submission, they can reply and say what they plan to do or they can just get up and say they do not intend to do anything, because agriculture is not a priority, which is the perception which is permeating this society. That is what people feel.

Madam Speaker, we come now to that entity which was conceived many years ago as being the avenue to help the fishermen of this country and that is the National Fisheries Company. I have raised that in this House already under "Motion on the adjournment", but from that time to now there has been no improvement to the situation; nothing at all, as if they are using a process of attrition to get everybody fed up and frustrated, so that, in their pursuit of privatization, some goodly consortium of business entrepreneurs might enter the arena and take hold of National Fisheries. Is that the intent? That is the conclusion that I am forced to come to.

Nothing is going on at the National Fisheries. But it is creating hell for the people who are operating around there: \$15.00 an hour to park in a car park. They put in a security firm owned and operated by a gentleman who is now the chairman of a regional corporation under PNM control. Particulars can be given *in camera* and if I am pushed I will make it public.

You want to get up on a point of order?

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Mr. Valley: I want to know. As the Minister of Local Government, I really want to know.

Mr. Mohammed: Privately or publicly? Does he want to embarrass his friend?

Mr. Valley: Any how.

Mr. Mohammed: He has forced me to say it. His name is Mr. Jaigobin Nangar, who operates a security firm. I do not talk off my hat, I check my facts because I do not believe in hearsay evidence. I am trained not to believe and accept that. If it is hearsay, I will tell you it is hearsay.

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. Mohammed: Madam Speaker, the fishing industry in Trinidad and Tobago has real problems. This National Fisheries was the avenue to help them. You know what is happening now? A whole big building has been closed down. The plant, equipment and machinery will degenerate into nothingness. That is what is going to happen. We have a few people there, the chairman of the board who, it is claimed, has interests in other processing enterprises. A few people employed there with high salaries—I think I made that point already—including a personnel officer getting \$10,000 a month and you have 20 people working. That has to be investigated. Why does the Minister not come to the House and give us a full and proper statement? All he can say was, National Fisheries is owing \$70 million in debt.

Madam Speaker, the National Fisheries Company, the hope for tapping the resources of the sea, we see discrimination, nepotism, corruption, conflict of interests, all these things are paramount in that area. Who cares? Nobody cares. The vast resources of the seas that surround us.

Madam Speaker, this UNC manifesto enunciated something with regard to this situation, Item 10, page 22, a clear, unambiguous statement was made by this alternative Government:

"Train and equip our national fishermen to fully exploit the resources of the Exclusive Economic Zone and ensure that they are accorded priority in the harvesting of the resources of the national patrimony."

Clear, beautiful language. That is our Opposition. A positive thing with regard to the sea and a positive thing in other areas of this manifesto that deal with small fishermen and the creation of a boating industry. That is important; jobs are created by doing that.

We build good boats in this country. The Member for St. Augustine will agree with that. We have world-class boats being built in this country and even the small people in the beaches and so on, you will always get a cadre of interested persons who will use their skills. As one Member said in the House, the workers of Trinidad and Tobago have the most beautiful designs but where is the encouragement to do that, to build a boat or to fish?

The whole industry is in a haphazard condition, no cohesion or co-ordination to tap as vital a resource as the sea and the people, things and institutions that are in the periphery of the sea. What are we doing? The Minister of Agriculture is fighting an election in Tobago, forgot the budget; and the deputy is gone, too? That is the interest that the Government has in agriculture? That is not clear evidence at all.

National Fisheries is not merely a plant that does processing which you can have in a land area. The important thing about National Fisheries—Members should go down and look at it—is its location. It is a port by itself. It is such a convenient area for fishermen from San Fernando, from Orange Valley, Couva, all those areas who traffic in the Gulf.

Mr. Bereaux: Traffic?

Mr. Mohammed: Yes. They can have use of that facility at National Fisheries because it is a port. We have a vital area of usage there with that National Fisheries compound.

The existing facilities there, Madam Speaker, have enormous capacity for freezing, that is already there. This is an important cog in the wheel of operation of shrimping and fishing. It already exists there in the compounds of National Fisheries. Are we going to allow that to dissipate and disappear, go asunder, spoil?

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What are we doing? We are not hearing anything positive about what is going to take place with that National Fisheries Company.

Madam Speaker, it has capacity to make ice, which is also an important component in the fishing industry. Ice is very important—I do not wish to make reference to the Prime Minister's House, he did not have to have installation there. National Fisheries could have provided all the ice he needs.

That ice, in fact, was a very profitable aspect of the operations of National Fisheries. Nothing is being done. Not only that, National Fisheries itself had established links abroad for the purposes of exporting the shrimp and fish. All those things are at a standstill.

Madam Speaker, it is a pity and a shame that Government could not have instituted a process of consultation with people who are concerned and involved and perhaps come forward with some proposal that might have included the Government. They could have consulted the Opposition. It could have included business but it would have included people who are in the business as well, the fishermen, the trawler owners. They treat those people like dogs. They have no representation on the board, they would not even consult with them and it is always a crisis down there, because of the attitudes of people.

There is need for something positive to be done with regard to that institution, a very important place. We can see that that can be used as a vehicle for earning foreign exchange, for creating employment and for providing food for this nation. What are we doing?

I have repeatedly asked the question, but, Madam Speaker, I do not know what the full implication of the announcement by the hon. Minister of Finance is, concerning the change in this auto and marine diesel fuel, but I will tell you something, that these trawlers use this diesel, which is a cheap commodity for them. I will tell you, 90 per cent of the trawler owners are in constant movement with their vessels in the Gulf and elsewhere. The catch of shrimp in this country substantially comes from them.

I have a calculation here, because these vessels, for the month—I will give an example—will consume 6,000 gallons of diesel. Now, the difference between the price of diesel as it was, with what has been announced in the budget and based on a \$0.53 increase—and I have not seen the Provisional Collection of Taxes Order with the details and mechanics of it. Maybe hon. Members would know. Why have

we not been provided with that important document that goes with the budget documents?

I do not know what the actual cost is going to be to these trawler owners with the diesel. But on the assumption that it is going to work out at \$0.53 a litre, do you know what it will immediately mean to a trawler owner who carries the capacity of 6,000 gallons? He immediately has to pay \$15,600 more. How is he going to survive? Fatten the shrimp overnight with fertilizer or fish? How is he going to survive without having any capacity or any way of dealing with a situation like this and having to put out that kind of money?

When you come to price business, and you say you can change the price, you are dealing with market forces because we know the law of supply and demand is paramount when we come to the market forces and the prices of commodities. This is what is happening.

Instead of creating the infrastructure and the facility, a tax measure is imposed now, something that can virtually run these people out of business. That is what is happening.

There is need, Madam Speaker, to look into this situation. It is a very serious one. As I said, there is the facility to tap 15 times more than your land space in the sea around us and what we are doing is mickey mouse, a joke. We are treating the fishermen, the trawler owners and the shrimpers with contempt. We do not even want to talk to them. I have made that point and I will continue to make it. It is a terrible thing that is going on: Beating up people down there.

I wonder how many Members have gone down to that area. I wonder if my friend, the man of the people, the Member for Laventille West, has ever journeyed to Sea Lots. I know that that area is contiguous to his constituency—or the Member for Laventille East. They should go down and see the condition of the roads there and try to inspect the facilities, see what is going on, collective responsibility in the Cabinet and raise the issue. Jean, too, the Member for Port-of-Spain South—the very beautiful and elegant Member for Port-of-Spain South. As Oscar Wilde said: "The visible personification of absolute perfection".

Madam Speaker, we come to another area of concern to agriculture in this country. We have a very serious situation; I am dealing now with marketing. It is quite some time now that we have been told that we were going to have a new

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market down in the Debe area. I will show you how the Minister of Local Government is involved presently.

Mr. Valley: "Presently" is right.

Mr. Mohammed: Presently is correct language. I studied elocution—if he wants some lessons I can give them to him. My instructor was Daniel Crouter.

Madam Speaker, that market in Debe, the very serious issue that we need to have clarified in this House, is what is the present position with NAMDEVCO. I would like the hon. Minister of Agriculture or the hon. Minister of Local Government, who has a concern with markets—I will give him his portfolio designation.

Mr. Valley: I just have concern for the Chaguanas market, he has me wrong.

Mr. Mohammed: The Minister has a concern with markets. He should check the *Gazette*, with his terms of reference as a Minister.

Madam Speaker, marketing is one of the serious concerns of farmers in this country. They were promised a wholesale facility down in Debe. The building finished a long time ago. They were to fix the grounds and so on and that has not been finished up to now. They gave a date, the end of this month. But I am asking now, the past Government saw it fit, under a special Act of Parliament to create what is called NAMDEVCO. NAMDEVCO, the agency which is responsible for all wholesale and retail markets, according to that Act. What has NAMDEVCO been doing except paying \$15,000 a month in rent at Aranguez Plaza? Would the hon. Minister say whether it is true that the whole board of NAMDEVCO was fired today or is about to be fired by the Minister of Agriculture?

I am just raising the issue because it is hot in the air. My business is to do that. I will tell you if it is hearsay. It is hot in the air. Hot cross bun. Take it for what it is worth.

Madam Speaker, there is gross frustration amongst the members of the board of NAMDEVCO. They do not know what to do, where to turn and how to turn. Nobody knows anything about NAMDEVCO and what is going on except there are some highly paid people.

NAMDEVCO took over CMA. What has happened to the staff of CMA? Much dissatisfaction. What has happened to the buildings in the Central Market that were owned by CMA? What about the mess that exists in the Central Market with

regard to the sale of the commodities for the wholesalers of this country, the farmers? I raise it here and ask the Minister to go to the market, I will be happy to go with him. He tells me that he goes on Saturday mornings, but wholesalers are not in the market on Saturday mornings. Their principal days are Monday, Thursday and Friday. They have to line up in the streets from two o'clock in the morning and suffer all the the vicissitudes of the weather. If it rains, they get wet; if it is sunny, they are exposed, goods float away when the water hits them on the ground, no covering. We are talking about agriculture. I have made impassioned pleas in the past and I will continue to do so.

Coming back to NAMDEVCO, what is the position with NAMDEVCO? I understand that these people have been so frustrated that they have even written to the Member for Diego Martin Central.

Mr. Valley: They did?

Mr. Mohammed: They did. I am making a positive statement that they wrote to the Member for Diego Martin Central asking him to intervene in their crisis and problem. I will sit down if he wants to deny that. Stony calm and silence. I draw the conclusion that it is true. The hon. Minister knows that there is utter chaos and confusion at NAMDEVCO. They do not know what to do. They have even alleged that their Minister is treating them with contempt.

Mr. Valley: Obviously, if they do not know what to do I can understand why the Minister wants to change the board.

Mr. Mohammed: Well, that is an admission, the *Hansard* will be clear about that. If the hon. Member for Diego Martin Central is saying that if the board does not know what to do, the Minister has a right to fire them, I can tell him you are supporting it, too.

Mr. Valley: Madam Speaker, let me say that my responsibility as Minister with responsibility for Investment, if there is a board and the board does not know what to do with the company that they are supposed to manage, I would have no problem in recommending a change in that board.

Mr. Mohammed: I am confused, perplexed, mystified and stymied by the pronouncement of the Member for Diego Martin Central.

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Mr. Eckstein: I thought Panday was the dramatist.

Mr. Mohammed: He does not have sole priority in that arena. I was an actor, in London, too, you know. I did not opt for certificates, but I was a very successful one there and here, for many years, on the stage, acting and producing.

Madam Speaker, I would have thought I would have gotten some support on behalf of these people from the Minister, but apparently, I can say that he is very cold and calm towards a very serious issue of national importance.

An agency is appointed to deal with all the markets of this country. In the offing is a new market at Orange Grove. What is happening with the plans for that new market? They say they are putting it at Orange Grove because of close proximity to the airport. What is the status of that? Confusion. The board does not know what to do.

The board has asked that Minister to intervene, but look at his intervention. He has not investigated anything, but he is expressing his support for his colleague. Where is the caring attitude? This has a ripple effect on the farmers, the producers of food in the nation.

I have certain pieces of correspondence here that I would not embarrass my friend, the Member for Diego Martin Central.

Mr. Valley: Please, Madam Speaker, let me ask him to bring out whatever documents he has. Let us not have any insinuations. Whatever information he has he should put it on the table.

Mr. Mohammed: I have a letter here to the hon. Kenneth C. Valley, Minister in the Ministry of Finance.

Mr. Valley: Put it on the table.

Mr. Mohammed: If you do not wish to be embarrassed, I would not embarrass the writer.

Mr. Valley: Put it on the table. Ken Valley has no cocoa in the sun.

Mr. Mohammed: I am not saying you have cocoa in the sun. I am saying you have coffee in the sun. Coffee does not depend on rain to ripen, so I can use that expression.

7.45 p.m.

You can dance a jig on the coffee. I would not do that but I have it in my possession.

Mr. Valley: Put it! Read it!

Mr. Mohammed: This is the one that asks you to help.

Mr. Valley: Read it!

Mr. Mohammed: If I read it, you may implicate the author.

Mr. Valley: Madam Speaker, I am asking the hon. Member—

Madam Speaker: Two Members cannot—if the hon. Member does not intend to read that letter, would he carry on with his debate and let us—

Mr. Mohammed: Madam Speaker, since the intervention of the hon. Member I am thinking in the few seconds whether I should read it or not. I think out of deference to the author of the letter, I shall not read it but I will show him it afterwards. I am asking him on behalf of the farmers of the country to help. That is what I am asking the hon. Member for Diego Martin Central to do. I am pleading on behalf of the farmers of this country. The whole marketing situation is in an absolute mess. Can I plead more than that?

Madam Speaker, in the area of marketing as well, it has been established—my friend, the Member for Couva North suggested in his contribution exporting certain agricultural commodities. I have also made that point here but wish to emphasize that there is a good market for export of agriculture. You know what I am talking about? Things which can grow here very easily. But this area needs help. Do you know that green and dry coconuts are being exported now? Do you know the mangrove crab? I wonder if Members here know the mangrove crab. There are blue crabs and mangrove crabs. Some people call it the "hairy crab". The Member for Arouca North must know that. One can go down in the mangrove in the lagoon, put on a pair of gloves and hold them. There is a thriving market for this type of crab. There are good markets for shadon beni (bandhania); coconuts—green and dry; crabs; ochroes; sweet peppers as well as hot peppers; bodi; caraili—good medicinal properties have been discovered in caraili, especially for those who have diabetes. There is also a very big market for the small dried shrimps.

Hon. Member: Paw paw.

Mr. Mohammed: Paw paw. Well said! There is also a good market for "silk" fig—"sici yea" fig has been mentioned by the Leader of the Opposition.

In agriculture, we have many areas which can be developed for export. Do you know what is the problem? The problem is the shipping of these commodities—the availability of the flights and the packaging. The market is there. Do you know what is happening in Miami, New York, Washington, the various provinces of Canada, London, Holland? There are large West Indian populations that have been established in those countries. We have had some of our shows going to those countries and we get sell-out crowds. There are Trinidadians in those countries. Even, "doubles"—one guy tells me that anytime he goes to Canada or America he carries 15; 20 "doubles" for the families there because they demand it.

There are good markets abroad but help is required in order to assist in the shipping; in the packaging. We need some training. They started something near the Youth Camp in Freeport—pamphlets were distributed—I think some hon. Members may know about it—but that was a failure. The whole thing flopped and nothing came out of that particular enterprise.

Again, I am saying on the question of marketing you need to direct attention. Tell me where in the Budget Speech you see that. Sufficient attention has not been given by the Government to this important area. On the issue of marketing, it is an important link. It is very important in the whole arena of agriculture and we have too many problems.

The Member for Chaguanas fought so brilliantly to achieve some changes in the Chaguanas market—remember Chaguanas is now a borough—and I must compliment the Member for Diego Martin Central for such assistance as he gave in that particular project. I will always give Jack his jacket, you know. Whether it is a rare occurrence, I do not know. It is a borough but all the other things that go to make it a successful borough have to be put in place. I wish to inform the Minister of Local Government that there are complaints all about. He was only given \$20 million in his development programme to be shared among all the local government authorities. What work will go on? What is he going to do? There is a big problem with the access roads. I know the Minister of Planning and Development spoke about a loan for access roads and so on—that is good. But when will that be implemented?

The Ministry of Local Government has a pivotal role to play in agriculture too, because they have to criss-cross all those roads and they are in a total mess. The

Member for Barataria/San Juan will agree with me—*in toto*. Roads where we live in San Juan are in a total mess: Don Miguel Road, Persad Lane, and those places. Do not talk about Khalay. In important areas of agriculture, people have to transport their commodities. Do not talk about respective constituencies. We need to have a national programme on roads. That “chirrip chirrip” thing that the Minister of Local Government gave those corporations, how are they going to survive?

Madam Speaker: The hon. Member must wind up at this point, please.

Mr. Mohammed: I had to speak about Caroni Limited. There are tenants at Aranguez Estate. I am suggesting to the Minister of Works and Transport to use some of the LIDP workers in agriculture. Put some of these people to work with the small farms and the people who are growing vegetables and all these things. You have not tried that. I am not talking about what NAR had last year, you know; this is a different concept. I am talking about productive farmers to whom you can give some assistance with the same money and share the cost of the labour.

The Member for Princes Town had canvassed that idea some time or the other but it is worthwhile receiving some consideration from the present Minister because that can be very productive. The pavement and walkways which he spoke about here—I mean, while that is good, I am talking about productive things that can enhance the economy of our country. He must give some thought. Do not fight me on it now, consider it! Do not be pig-headed and want to confront and just give a negative response. Think about it! A good Government with good Ministers will do that. There are a number of problems.

I wanted to speak about the Agricultural Small Holdings Act. There are many problems with the tenants of Aranguez. People have been there for 60 years and Aranguez Estate Limited is asking an exorbitant price of \$40,000 an acre for the land. The Member for St. Joseph knows about that. That is an issue which has to be looked at. These people send their money abroad—controlled by foreign people.

Mr. Ramrekersingh: Madam Speaker, for the information of the Member for Caroni East, the hon. Minister of Agriculture, Land and Marine Resources and I met with the farmers and an agreement was reached that an independent valuation will be done of those lands and that would form the basis for negotiations.

Mr. Mohammed: Madam Speaker, I wish to let the hon. Member know that I am aware of that meeting. But I wonder if he is aware that Aranguez Estate Limited, since that meeting, sent an ejection notice to some of the farmers.

Mr. Ramrekersingh: Madam Speaker, I am aware that Aranguez Estate Limited sent a notice. That notice predates the meeting. I subsequently wrote them and I think they agreed that the farmers will not be ejected until the arrangement which we have is put in place.

Mr. Mohammed: I am very glad for the explanation given by the hon. Minister. These anxious farmers who will come to me, I will now tell them—it comes from good authority in the national Parliament—that no action will be taken by anybody to put them in court until this independent valuation is undertaken and what not. So I can happily go back.

7.55 p.m.

I will suggest to the hon. Minister that thought should be given to the Agricultural Small Holdings Act which I understand has expired and protection under that Act no longer exists for farmers not only there but elsewhere in the country. I think the manifesto may have said something about the Agricultural Small Holdings Act.

Madam Speaker, these are just some of the points. I have six pages again to go, but time has gone and I am unable to complete my submission in the area of agriculture, but nevertheless I think I have said sufficient to indicate that the Government has failed to demonstrate sufficient interest in the area of agriculture—one of the important areas for national development. I will ask the Minister of Finance to bear that in mind because he knows much about all the beautiful floral arrangements, flori-culture and the potential of flori-culture in this country, the export potential of passion fruit and many of the other things.

If he can direct some special thought to the area of agriculture, there are so many areas we can look at that would properly propel this country into development. We can have employment in agriculture rising from 10 per cent to 30 per cent, which will be very significant. These are the things we have to do, but I am afraid we are only getting words and little paraphrases and things written in a medium-term policy, in a manifesto and nothing in the budget. Something is written in the development programme, but it is not sufficient.

We would like to see a big page or two next year, next budget or any supplemental budget—dealing specifically with agriculture—because there is

where we have to pin our hopes for the future development of Trinidad and Tobago.

Mr. Hedwige Bereaux (*La Brea*): Madam Speaker, I rise to speak right after the flamboyant impresario from the electronic media, the Member for Caroni East.

Madam Speaker, the debate on the annual budget statement or the Appropriation Bill is intended to provide the wherewithal for financing the affairs of Trinidad and Tobago for the next 12 months, unless we are able to convince the hon. Members of the Opposition to support a change in the financial year in this coming year. The Minister of Finance has properly identified this budget statement as the premium of public accountability upon which the nation's financial and economic affairs are judged. In that context, Madam Speaker, this budget is appropriately named "The Passage from Stabilization to Growth." We say no deficit.

I have just been looking at the U.S. campaign and when you hear about budget deficits in the trillions of dollars, I must say that a budget with no deficit is, indeed, an example of fiscal discipline. But before I get into the meat of my submission—and I see the hon. Minister of Works is not here—but I heard he is building bridges and fixing roads. Notwithstanding some of the good luck which La Brea has received, we have many farmers and roads in La Brea. I see that he likes the Opposition more than the PNM, but that is all right. We will go with him on this occasion.

Madam Speaker, to move from the banter; in the budget statement on page 10, the Minister identified three factors as being mainly responsible for the weakened economy in 1992. These were: tight liquidity brought on by further Central Bank monetary policy; a rein on Government's expenditure in an effort to contain the overall deficit; and you know, sometimes we have the saying "last but not least", on this occasion we should say last and, indeed, most important, the accelerated natural rate of decline in production from maturing oil wells compounded by the fact that the oil companies had not been able to maintain aggressive development or exploratory programmes either on land or off-shore.

Madam Speaker, the final reason is extremely important, because as you know the hydrocarbon sector in Trinidad and Tobago is the single most important sector in the economy contributing, as it does, 26 per cent of GDP and 41 per cent of Government revenues. When we think about that, those figures do not take into

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account the taxes paid by employees in the sector; or the taxes from service and supply companies. It is truly said that when the oil industry hurts, Trinidad and Tobago groans.

So every effort of a responsible Government has got to be made to ensure that the oil industry is producing at optimum level. However, in order to understand fully and appreciate the measures taken by the Government, one needs to understand the fundamentals of the oil industry. Unfortunately, despite the importance of the industry to Trinidad and Tobago, too many of us appear not to understand it. I just propose to briefly look at a few areas, so that you can get the background against the action which the Government took.

Trinidad and Tobago has crude oil reserves of 494 billion barrels or sufficient—at present production of 135,000 barrels a day—for 10 years. A reserve to production ratio of 10 years. That means, Madam Speaker, that if we discover no oil and we continue producing at the present rate, we have oil for 10 years. But you see whenever reserves are quoted, it is against the particular background of the present price, the existing technology and cost of production.

So it matters, because oil reserves are only counted when the reserves can be economically produced. No matter what is said, the question of an oil company losing money is a contradiction in terms. So we are talking about economic reserves. If the price goes up, you will find the reserves will rise—not because there is more oil in the ground, but because at the higher price you are able to produce more oil. Similarly, if the price goes down, the reserves drop.

Also, it is true that improvements in technology tend to increase the ability to remove oil from the ground. The present technology provides that 25 per cent of the oil in place can be extracted at any one time; and we have seen over the years developments like horizontal drilling and 3D seismic, contributing to our reaching that particular level at this time. But then we have the one variable and that is, the cost of production. You see, Trinidad and Tobago, despite the importance of oil, is an insignificant player on the world oil market and we can do very little about price. But the cost of production—technology has its price tag and in most cases the technology comes from elsewhere—which involves to some extent taxes—and when I say taxes I mean the various impost levies, uplifts and the various other uplift depreciation.

8.05 p.m.

That, together with the opportunities with respect to licences, and conditions and terms of licences, are but the only areas in which the Government of the country can influence the increase in production of oil in Trinidad and Tobago, notwithstanding the fact that the companies are producing within its borders.

It is within this context that one must view, and subject to critical examination, Government's action to introduce a new and fundamentally different petroleum taxation, as indicated in the national budget. I would just like to zero in on a few areas of this. One, an important one, is the significant incentives to new exploration. Exploration, especially in marine areas, is risky and an extremely expensive business. It is also significant that banks and financial institutions, because of the tremendous risks involved in oil exploration, do not finance exploration projects. Exploration is normally financed through savings. When one considers that the striking rate, in terms of wells drilled to successes made, is at best, one to six—if one drills about six exploration wells, one might be found.

Amoco, in Trinidad and Tobago, had about 10 dry holes before they got their discovery. It took Shell BP 20 years to learn the geological history of the Niger Delta. It is quite clear, that having regard to these risks, before a company enters into exploration activity, that company must be able to see that down the road, if it is successful, the rewards would be adequate, because that write-off, has to come from somewhere. What we were doing, in Trinidad and Tobago, was saying to companies, "Look, come and drill, and if you find oil you will have to write-off whatever expenditure you made in the previous years, as capital. What we have done here, in order to encourage exploration in this country, is to permit them, if they find oil, to write it off as expenses, earlier.

It is quite clear, that in order to conduct oil exploration, you need to have a deep pocket. We do not have that deep pocket. More importantly, oil production is not static. It is necessary that an oil province like ours either be exploring—there is no static equilibrium—or declining. By decline I mean, the province is slowly dying and in the near future, 10 to 12 years, if you do not explore, the goose that lays the golden egg will be killed.

Mr. Sudama: Will die.

Mr. Bereaux: Will die. I am always grateful for the assistance of the Member for Oropouche. It will also be killed; killed by negligence.

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Madam Speaker, when you hear complaints about what has been given, and what is to be given, to these companies. Let me tell you first—*[Interruption]* Madam Speaker, I am being interrupted by the Member for Fyzabad. He is from the oil industry and he does not care anything about it. Does he not have the concern of his constituents at heart?

I know for a fact that the Southern Basin Consortium which has three of the large multinationals—one of them was involved in the big find in El Furrial in Venezuela—is going to be drilling four wells. The thing about it is that the state-owned companies in Trinidad and Tobago will have 51 per cent of that development and they will not pay one penny towards the cost during the exploration and appraisal period. Do we want to prevent them from getting the opportunity to do the drilling, when, if they find anything, we have the lion's share and we have not factored in Government's revenue from taxation?

In addition to that, blocks 89/2 and 89/3, which the hon. Minister had indicated, one of the companies to be considered there is the leader in undersea completion in fractured formations in the world. By fractured we mean those small formations, which are common on land in Trinidad, and which the oil companies have been having numerous problems to find the technology to deal with. We have the opportunity now for one of the leaders in respect of that technology, coming to Trinidad and Tobago to explore in the deep water.

Again, at any time that oil is found in any of these areas, Government's take runs to over 60 per cent. The incentives which have been given—the focus which appears to be of the least of concern—are those in respect of enhanced oil recovery and heavy oil recovery. I will explain. As it has been properly said, oil exploration, although it is cash intensive—requires heavy cash outlay—does not hire as many persons as would normally be hired elsewhere in the oil industry.

I am not sure, but I think it was the Member for Oropouche who was pointing out something about divers and so on, coming in. Some of the oil companies try that, and it is for us, as a country, to be vigilant and correct things like that. I do not know whether it is true or not, but some of the contractors do from time to time.

8.15 p.m.

In respect of the incentives for development, heavy oil and enhanced oil recovery, what you find is, any development that takes place on land usually uses

more labour than developments off-shore and exploration. The reason being that on land you have to provide the locations and the roads. Because it is a heavy oil development, you have to provide the pumping jacks and steel generators. Whereas the exploration incentives will provide the wherewithal or the means whereby we could continue in the oil industry, and possibly get a heavy windfall, the bread and butter issues and the bread and butter elements of the tax incentives are contained in the provisions for development.

The provision in respect of heavy oil and enhanced oil recovery even goes further and has very exciting possibilities. I want to take some time off to deal with this particular area. Crudes are classified as heavy when the API gravity—for the non-initiated, API is American Petroleum Institute—of the crude is between 10 and 20 API. Most of our crudes are like that. We have substantial reserves of heavy oil, but for the purpose of our heavy oil development, usually the crudes run between 10 and 15. Because most of our oil is under 20, we treat from 15 upwards, as not exactly so heavy. That crude is found mainly in Parry Lands, Guapo, parts of Los Bajos and in substantial numbers off-shore Soldado.

We have 3.355 billion barrels of reserves. The producible reserves are about 25 per cent; 95 per cent of those reserves are either owned or controlled by state-owned companies.

Mr. Palackdharrysingh: It augurs well for La Brea.

Mr. Bereaux: If you know what I am going to say—

What you find is that on crudes like those, because of the viscosity, they cannot be brought to the surface without the assistance of steam generation. Today, Trintoc and Trintopec produce about 14,000 barrels of oil by steam generation and they have 32 steam generators. They produce 60,000 barrels of steam per day. Because 1.95 billion barrels of oil are off-shore in the Soldado fields, and in deeper waters between 4,000 and 6,000 feet incentives for heavy oil were needed in order that the extra money could be spent to get that oil, because you have to do one of two things. It is either you put the steam generators on the various platforms off-shore, or as I said, there is another exciting possibility, that you go the way of co-generation. I will read the definition for co-generation.

"Co-generation is generally considered to be the production of both electricity and useful thermal energy from the same facility. The cost of the fuel

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required to produce the two forms of energy in a single combined system is generally far less, than that required to produce them separately."

This is not a new technology. In the 80s when the price of oil started to dive it was used and has been used successfully by Chevron, Ghetty and a number of other companies in the tar sands of California.

What you find is that one co-generation plant will not only generate steam for the enhanced oil recovery in the heavy oil situation, but it will also generate electricity. The technicians have advised that—first I want to read from the *Medium Term Policy Framework* on the question of electricity. It states:

"Reserve capacity is adequate at present, but additional generation in the order of 200 megawatts will be required between 1995 and 1997 to meet growing demands. Some generation units are approaching the end of their economic lives and need to be rehabilitated. The combined financing required for both rehabilitation and expansion programmes amounts to approximately US \$200 million. The Commission is not in a position to meet this outlay."

I am saying that a co-generation plant made possible by virtue of the tax incentives for heavy oil that produces about 60,000 to 65,000 barrels of steam per day, will generate 200 megawatts of electricity without appreciably increasing the cost in respect of co-generation.

Mr. Sudama: Could the Member give way to a question? Is this the project that Ken Julien was exploring in the United States?

Mr. Béréaux: I am not aware of the whereabouts of the projects which Mr. Julien has been doing. What I want to tell you is that for a long time the oil companies have been trying to get this system and we have been looking at it.

In the context of the industrial estate which there is the need for TTEC for electricity and to maximize our heavy oil reserves, this co-generation system will definitely and literally kill two birds with one stone. It is believed that the reserves off-shore could produce another 13,000 barrels per day and when we work it out even at the low price, or the stable price of oil today, we are looking at, in excess of US \$51 million. That is the gross earnings in any one year. Of course prices go up and down and things happen here and there.

The whole question of this co-generation and the utilizing, and in fact, the granting of these incentives are far-reaching and fit and dovetail very neatly with Government's whole projected approach for La Brea, Point Fortin and indeed the entire country, because we have the resources. Once those resources are properly exploited you will find that they would benefit the entire country. We have always done that.

Mr. Palackdharrysingh: It is a pity the roads are so bad.

Mr. Bereaux: That is right.

We look at the merger of Trintoc and Trintopec. Admittedly, I keep hearing about dislocations and I get the vibes all the time when they say you are the first to go. Possibly that is the case because they do not need two company secretaries. However, I am always ready to make sacrifices where the good of Trinidad and Tobago is concerned. This is a move that is valuable and sensible. I will give you just some anomalies which exist.

8.25 p.m.

The fields of Trintopec and Trintoc are adjacent for miles. Their pipelines run parallel to each other for miles. There is a law in the petroleum regulations which prevents a company from drilling within 300 feet of the boundary. The boundaries, which are land boundaries, were not drawn with any particular geological formation in mind, so what you will find is that in the heart of the mature oil field area, there is about 600 feet of virgin territory, with the boundary between the two companies running through the centre. That is virgin Trinidad and Tobago oil which has been made a virgin no longer.

Then, there is the Enhanced Recovery Schemes where, although the law provides for unitization, you will find that the petroleum engineers in both companies would refrain from entering into a steam flood operation, if the likelihood is that the effect of the steam flood would be felt across the boundary, or they would give it a low priority because, unfortunately, the law lags a bit behind the technology in respect of how quickly the unitization scheme can be put together. Again, all of these anomalies will correct themselves with the merger of the two companies. There might be a little dislocation but we have to accept those things.

The high point of the budget—the very pinnacle—was a statement on page 28 which says:

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"In addition, the National Gas Company is actively pursuing the development of an industrial path in the Point Fortin/La Brea area which will make use of the natural harbour at Brighton."

The extent of the satisfaction which I feel is difficult for me to express in normal words because in this House, from time to time, I have been at the receiving end of the verbal barbs and picong from Members, some of my good friends on the other side, including the Member for Princes Town, who is now sitting in another seat, making comments about the destitution of my constituency, and not without cause. Here, I was confident because I was aware that this very statement on the industrial estate was contained on page 22 of the PNM manifesto. I quote:

"The experience and expertise developed at Point Lisas will be directed to the La Brea/Point Fortin area toward the creation of energy industrial estates, with the necessary infrastructure to attract users of gas and electricity."

Hence my co-generation effort and advice. I knew that since it got in here I did not have too much of a problem.

Since no reference was made to the harbour at Brighton, and lest hon. Members believe that the Member for La Brea was wasting time or allowing grass to grow under his feet, on February 13, 1992, I wrote a letter to the Managing Director of Trinidad and Tobago Oil Company, which is the single shareholder of Trinidad Lake Asphalt Limited. I will quote from page 2, item 5 of the letter:

"The Brighton pier is not in use. When it went out of service, approximately 120 persons lost an opportunity to earn a living."

And, incidentally, it went out of service in 1990—

"Since then the products of Lake Asphalt have been transported via a narrow road to Point Lisas and Port of Spain at a cost which is sufficient to meet the amortized payments on a loan to construct the new facility with two berths."

You see, Madam Speaker, I also had gotten hold of the report of the consultants which had indicated that two berths in Brighton would cost \$16 million.

"A port facility at Brighton given the other developmental possibilities will be of tremendous benefit to the people of La Brea, in particular, and Trinidad and Tobago, in general."

Of course, I closed by telling him:

"In the circumstances, common sense dictates that sustained co-operation between us is of paramount importance. To this end, I would appreciate meeting with you on the earliest date convenient to you to discuss the matters raised."

So, the question of that industrial estate is something for which the people of La Brea and I are most grateful and we are committed to see it move forward.

Without necessarily counting my chickens before they are hatched, I want to take this opportunity to say that the initiation of that industrial estate would herald a new era for La Brea which, having regard to the Spanish origins of the name, I will now christen, El Siglo D'oro de La Brea—The Golden Age of La Brea. But, we recognize that industrial developments by themselves do not and cannot properly release a people from destitution. Indeed, it cannot be done in the twinkling of an eye and in some cases, unless we are careful, it would not even be done in decades.

That is why we also welcome the statement in the budget with respect to the apprenticeship programme where the money allotted for training and development has been increased from \$3 million in 1992 to \$30 million. I think the programme is properly named, Apprenticeship for Industrial Mobilization.

8.35 p.m.

More importantly, we have already started a programme on my own volition to try to get a vocational school in the area so that we will not have the same position existing where the people participated in the building of the plant but they did not have the necessary skills to work in it after the industrial estate has been completed.

For those Members who might have time, there is a group of people who live both inside and outside of La Brea, but who have roots there, called "La Braec". That group is the one that is moving forward to try to improve the educational standing to get the people ready, the young people ready in order to take their proper place when we have been able, through the incentive and the aggressiveness of this Government, to put that industrial estate in place.

I have had reason to look at other areas where I have seen— *[Interruption]*— Madam Speaker, I would like to let the Member for Princes Town know that all

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we are doing is trying to ensure that there is an equitable distribution and since it has to come as a result of ability—because you cannot get into any of those plants, as I expect, without ability and without the necessary qualification; living in an area by itself does not qualify you for a job.

Madam Speaker, as I was saying, another area of the budget is under the heading "exemption of severance pay from taxation". The budget increased by \$20,000 the amount of severance pay which would now be exempt from income tax. It also widened the net to include persons who will have retired as a result of ill health. So the sum available to those persons would be \$100,000, tax free. That is a good thing because we need to ensure that those who have laboured long and hard will have some comfort where they can at least protect themselves from the vagaries of the economy.

I would expect that additional \$20,000 will also, in some cases, find itself in job creation activity because people who work years do not know what it is to sit and stay home. They have to get back into something.

Madam Speaker, as we are talking about retiring and pensions, I would like to draw the attention of this honourable House to an anomaly which has existed in this country for far too long and which needs correcting. I refer to the non-pensionable status of persons termed "temporary and casual", but who, for long periods, have worked in a particular industry or industries.

I must thank the Members of the task force on Caroni (1975) Limited for drawing my attention to this particular anomaly and injustice because, in the oil industry and in several companies it is policy, in order to alleviate the unemployment situation, to leave a certain percentage of jobs that they will definitely not fill, even though they are permanent vacancies, with the intention that, rather than fill it with one, they will give one week every month and fill it with four persons. Over the years, we have found that there are persons like that, particularly in oilfield areas who have been working 16, 20 years, but only work three months a year. *[Interruption]* Why am I hearing this grunting? If the Member for Oropouche wants to ask me a question, let him do it and I will answer him.

Mr. Sudama: I am merely asking if your company engages in that practice which you are condemning now.

Mr. Bereaux: I am not condemning it. I am saying that in order to spread the butter a little thinner, so that more persons can be hired, companies tend to leave a certain block of permanent jobs that they will not fill and permit casual and temporary persons to occupy those jobs on a regular basis, one week in every month on a rotational basis. So if you have 100, instead of having only 100 persons employed, you will have 400.

What I am saying is those persons will not qualify for benefits, but what you find in most cases, is some of these persons go to other employers and they work elsewhere for another week. I think the time has come when, as a country, we need to look at that and possibly permit these persons as they are employed for that week, to be able to be part of the pension plan for that week and if they go to another employer, they will choose the employer whom they believe they would like their pensions to be with and they will pay their pensions elsewhere, the employer will contribute and it will come to their master employer, as it were, or their chosen employer and, Madam Speaker, that is being done.

In cases where companies second some of their employees, particularly to work with unions, but they remain on the payroll of the company, the unions pay the double contribution and give it back to the company so that any time they come back to their original employer, their pension keeps running.

I think that anything to do with pensions is important and that we introduce legislation which will permit persons to access their savings and their pension plans. I think the time has come when we need to look at that a little more closely, to try to alleviate the situation where you find persons who have laboured long and then they get to 65 and, as we say, they still come around the main office looking for work when they really cannot be hired, when they should have been drawing pensions based on the contributions which they have made to the industry over the years.

Madam Speaker, I will just deal with one other point.

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.

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Mr. Béraux: I want to assure the Member for Princes Town that I will definitely not take 30 minutes.

There is just one point I want to make and I know it is also close to the heart of the Member for Port of Spain North and St. Ann's West. On page 34 of the *Medium Term Policy Framework*, Madam Speaker, paragraph 101, they are speaking about the energy sector:

"The transportation and household sectors are two target consumption groups for which natural gas could replace exportable fuels, gasoline, diesel fuel and LPG. To this end, the use of natural gas in transportation will be encouraged. Similarly, where feasible, construction of distribution networks aimed at increasing the household use of natural gas will be promoted."

Madam Speaker, there are two villages, two communities, one in the constituency of my good friend, the Member for Fyzabad, and the home town of the Member for Port of Spain North and St. Ann's West, and I refer to Cap de Ville. One in my own constituency of La Brea, and I refer to Fanny Village. These areas have gas lines already there. But because of new projections and utilization patterns, it is likely that the gas to those areas might be discontinued.

We know, Madam Speaker, that the National Gas Company, in looking at pilot projects under household supply of gas—and I am just saying that since we have it in our *Medium Term Policy Framework*, I would expect that some consideration would be given to making the pilot projects in those two areas.

Madam Speaker, with that, I seek not to bore this honourable House but to support the budget statement. Thank you.

Motion made and question proposed, That the House do now adjourn to Thursday, November 26, 1992 at 1.30 p.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly

Adjourned at 8.46 p.m.