

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

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TRINIDAD AND TOBAGO WHICH OPENED ON JANUARY 1, 1992

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HOUSE OF REPRESENTATIVES

Thursday, December 02, 1993

The House met at 1.45 p.m.

PRAYERS

[MADAM SPEAKER *in the Chair*]

PAPERS LAID

1. The Fifteenth Annual Report of the Ombudsman for the period January 1, 1992 to December 31, 1992. [*The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]
2. The Provisional Collection of Taxes (Amdt.) Order, 1993. [*Hon. K. Valley*]
3. The price of Petroleum Products (Amdt.) (No. 2) Order, 1993. [*Hon. K. Valley*]
4. Report of the Auditor General on the accounts of the Victoria County Council for the year ended December 31, 1985. [*Hon. K. Valley*]
5. Report of the Auditor General of on the accounts of the Victoria County Council for the year ended December 31, 1986. [*Hon. K. Valley*]

Papers 4 and 5 to be referred to the Public Accounts Committee.

**APPROPRIATION BILL
(BUDGET)**

Order read for resuming adjourned debate on question [November 26, 1993]:

That the Bill be now read a second time.

The Minister of Trade, Industry and Tourism (Sen. The Hon. Brian Kuei Tung): Madam Speaker, I rise this afternoon to support the Minister of Finance on a document, which from some of the feedback I have been getting, has had very wide acceptance among the community at large. As 1993, which can be described as being a most challenging year, draws to a close, we must take some time to reflect on what has happened during the course of this year, but at the same time, project our minds on what we hope to achieve in the coming year.

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

It is against this background that I will attempt today to brief this honourable House on development in 1993 in the area of trade, industry and tourism on initiatives which are being taken to ensure a reactivation of the economy in the foreseeable future. To do this, I would like to talk at the outset about trade reform.

Madam Speaker, you will recall that in my 1993 contribution to the budget debate details of a number of reform measures were given. One of them was the facilitation of trade. New initiatives are being made to facilitate trade on both the export, and the import side; hence the need for the re-examination of existing policies with a view to making them more relevant if your goals are to be achieved. On the import side, you will recall the removal in 1992 of approximately 90 per cent of manufactured goods from the negative list and the implementation of surcharges on some categories of goods to offer some measure of protection to manufacturers within a programme that will allow them to maintain their competitive edge.

Government is committed to the gradual reduction of this surcharge and towards this end, on January 1, 1993 the first phase of this reduction was implemented. Further reductions will continue and will come into effect on January 1, 1994, as has been stated by the Minister of Finance in his 1994 Budget presentation.

In furtherance of Government's effort to facilitate import trade, the Customs and Excise Division has introduced its Single Administrative Document or SAD, Form C82, as part of the pilot project being conducted with respect to the computerisation of the Division's documents. This system which is known as the ASYCUDA system, has already begun. The use of the new form has reduced considerably the number of forms which had to be used in the past by importers to clear goods.

I have had discussions with the customs brokers, and whilst there had been some teething problems, I am happy to report to this honourable House that the system has received very wide acceptance. More than that, it has received many good gestures from the Customs Brokers Association.

In the case of manufacturers, although they continue to express some reservation on the pact at which Government is implementing these measures which are aimed at offering protection to the locally produced goods against similarly imported ones, I would like to mention that the regulations governing the Anti-Dumping and Countervailing Duties Act have been drafted. As a matter of fact, in this very House I have indicated that there have been several drafts. However, in light of new information which has recently come to hand, before

these regulations can be enforced, we may very well have to review this legislation, areas of which may have to be amended.

Having seen the need for the enactment of legislation to address issues relating to unfair trade practices such as under-and-over invoicing, and other malpractices, Government had sought to obtain the services of a consultant for the drafting of this legislation. Unfortunately, this particular expertise seems to be in very short supply locally. A foreign firm of consultants has been identified and efforts are being made by the ministry to obtain the necessary funding for this project. This project deals with unfair trade practices.

Our efforts at facilitating trade on the export side will now have to be pursued more aggressively in 1994. If we are to encourage our manufacturers to become more export oriented, we must ensure that red tape is minimized and, where possible, fully eliminated.

The establishment of the export rate scheme in 1993 as an incentive package to encourage manufacturers to export was unfortunately not implemented. This is expected to come on stream in 1994 as indicated by the Minister of Finance in his budget presentation.

Despite this setback, Government is pleased to announce that a new scheme allowing manufacturers to purchase industrial sugar at world market prices from Caroni (1975) Limited, was implemented on July 15, 1993 and manufacturers benefiting are those who use sugar in the manufacture of products for the export market.

As I have pointed out today, Government has not lost sight of the fact that everything possible must be done to ensure that our exporters are not hindered in their pursuit of new markets abroad. Towards this end, the ministry has seen the need, as was the case with imports, to review the export procedures as they relate to the completion and certification of documents. This exercise will be undertaken early in the new year with a view to having a much more streamlined system.

The Ministry of Trade, Industry and Tourism has already done several detailed technical flow charts to look at the manner in which exports are done in Trinidad and Tobago, and we have realized that there are a number of bureaucratic steps that are in place. The purpose of this review is to see if we can simplify these procedures. It is our hope that just as we have a single administrative document for imports, we may be able to arrive at a single administrative document for exports.

Reviewing import and export procedures must be seen as just one aspect of the trade liberalization package. We all stand to benefit from the positive effects these measures will have on the economy as a whole; whether importer,

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

manufacturer, trader or consumer. For example, the liberalization of foreign exchange and the floating of the Trinidad and Tobago currency in April, 1993, now allows for the easier importation of and payment for goods and services. In so doing, market competition has been encouraged.

1.55 p.m.

It is for this reason that Government, in its own wisdom, recognized the need to review its policy with respect to the continuation of the price control system. Towards this end, the prices of several items have been decontrolled. Government felt that in so doing consumers would benefit from cheaper prices that would result from a market environment which is highly competitive. There now remain only five items under price control, as I indicated to this honourable House.

I would now talk about export initiatives in non-traditional markets. In keeping with the policies of trade liberalization, which are based on a concomitant adoption of an outward looking and export led growth strategy, Government has given priority consideration to establishing trade agreements at the level of the original grouping of Caricom member states, particularly in the countries which are non-traditional trading partners but potential destination markets for locally produced goods and services.

It is in the context of these new and non-traditional markets that the Caricom/Venezuela Partial Scope Agreement, and further efforts to establish trading arrangements with other countries in Central and South America, must be viewed.

The Government of Colombia has made an offer in principle to the Caricom Heads of Government Conference for the establishment of an agreement on trade, economic and technical co-operation the serious consideration of which this Government fully supports. I wish to remind this honourable House that it was on account of the efforts of our Prime Minister that these kinds of offers of economic and technical co-operation had been made. You would recall that our hon. Prime Minister chaired the sessions here, where the Group of Three met with the Caricom Heads of Government and it was in this context the South American markets continued to be opened up to our local manufacturers. I would treat with these later on.

The local manufacturing community, being fully cognizant that the trend in global trade has been moving from the imposition of import restrictions towards an adoption of liberalization policies and practices has taken up the challenge to pursue aggressively an export promotion strategy. Consistent with the strategy of Government, adapted in concert with the governments of other Caricom states to access the Latin American market through the establishment of various forms of

trading arrangements, manufacturers have targetted South American countries as the prime focus of their present export marketing initiatives.

The efforts of local manufacturers are encouraged by the policies of liberalization which are being pursued by government in those targetted South American countries which have resulted in the substantial dismantling of restrictions on entry of imported products and the considerable lowering of tariff barriers. The focus of interest of our local manufacturers with respect to those countries would also include the sourcing of raw materials and the transfer of technology in addition to joint venture or other such investment activity.

I would now talk a little in detail about the Caricom/Venezuela Agreement on Trade and Investment. Although the Caricom/Venezuela Agreement had its genesis in July 1991 when the Caricom Heads of Government accepted in principle an offer from the Government of Venezuelan of one way duty free access of Caricom products into the Venezuelan market, it was recently concluded, in January 1993, when the Caricom member states were formally notified by the Government of Venezuela that the necessary constitutional requirements had been undertaken in that country to give effect to this agreement.

The terms of agreement provide for both immediate and phased duty-free entry of selected Caricom products into the Venezuelan market. Trinidad and Tobago is at the forefront of Caricom efforts to negotiate an increase in the approximately 320 Caricom products which have been identified by Venezuela for preferential access to their market.

At the Fourth Meeting of the Caricom/Venezuela Joint Council which was established under this agreement to co-ordinate and administer all matters pertaining to its operations, the Venezuelans identified Trinidad and Tobago as the only Caricom country to have benefited to date, through the export of items such as automotive batteries and chocolate confectioneries. At that meeting the Venezuelans accepted a proposal which was originally made by the Government of Trinidad and Tobago for the inclusion of tyres on the list of Caricom products for immediate duty-free access into Venezuela.

These export successes achieved to date in the early life of this agreement is an expression of the collaboration of this Government with the local private sector in the pursuit of the implementation of the policy for export-led growth, as I previously stated. These are also as a result of the tangible action taken by local manufacturers to venture into the market place to assess the export prospect for their products in a practical and effective manner, and to explore potential joint venture investment opportunities.

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

Apart from the efforts of individual business persons, the Trinidad and Tobago Manufacturers Association mounted a promotional mission to Venezuela in November 1992. This mission was not only able to take advantage of the provisions of the agreement with respect to listed products, but was also successful in negotiating access to the Venezuelan market for other products such as disposable diapers, air conditioning units and spices.

This success is representative of the increasingly competitive capability of our manufacturers which we hope would be intensified. With this, I hope to put at rest some of the criticisms that have been made that we do not have competitive advantage for our local products. Our manufacturers have been slowly going about their tasks of getting market access in areas from which hitherto we had been considered banned.

Those people who are prepared to criticize us for the policies that we have pursued in which our manufacturers have built a tremendous industrial base would understand that our products continue to gain wide acceptance in the South American market.

In the context of the greater competitive strength of Trinidad and Tobago's products relative to those of the other Caricom states, Government is very keen to support any initiative which would foster the realization of the benefit to be derived from this agreement. Government is therefore gratified by the willingness expressed by Caricom and Venezuela to achieve the objectives of the agreement with respect to the expansion of trade and the pursuit of investment opportunities including efforts to reduce constraints, resulting from the differences in language and business practices.

I now turn to the Trinidad and Tobago/Venezuela Partial Scope Agreement. This agreement, which was negotiated in August 1989 and became effective in July 1992, should be considered as a complementary, preferential trading arrangement to the Caricom/Venezuela Agreement on Trade and Investment. The Partial Scope Agreement provides for 25 per cent reduction on the applicable tariff rates on a number of products, which currently amount to about 35 items, from each country on entry to the market of the other on a reciprocal basis. Although the terms are less beneficial for local manufacturers than those of the Caricom/Venezuela Agreement, it nevertheless provides a window of opportunity for preferential market access for products not covered by that agreement.

I would talk a bit on the proposed Caricom/Colombia Agreement on Trade, Economic and Technical Co-operation to which I earlier referred.

2.05 p.m.

The proposed Caricom/Colombia Agreement on Trade, Economic and Technical Cooperation was the subject of a meeting between delegations representing the two parties, which took place in Barbados in August, 1993, and at which Trinidad and Tobago was represented. This agreement has encouraged the local manufacturing community to focus on Colombia as a potential export market.

As indicated earlier, a private sector mission visited that country and the results are very promising. The urgency for the Caricom governments to conclude a formal agreement with Colombia has been underscored by the initiative taken by our local manufacturers on that market, and the potential which manufacturers have identified for export market penetration. In this regard, the Government of Trinidad and Tobago would seek to influence the progress of negotiations, being mindful of the greater capability of Trinidad and Tobago to readily benefit from this agreement.

Government has recognized the major role that business enterprise must play in the restoration of economic growth in this country, and to this end a number of measures are being put in place to ensure that an appropriate environment is established in which business activity could be effectively pursued. From the longer term perspective, Government has thought it necessary to develop an industrial policy which will guide our industrial development over the last years of this decade and which, in fact, would take us into the new century.

The policy, which will be comprehensive in nature, has already been drafted and has now been reviewed by a United Nations Industrial Development Organization consultant, on the basis of which certain adjustments are being contemplated. The draft policy will be influenced by a range of inputs coming from various institutions and organizations and will shortly be considered by the committee which has been established by Cabinet to deal with matters relating to the non-oil sector. Government expects to have the policy document finalized by the end of this month or very early in the new year.

As you would realize, we cannot put our activities on hold while we await the outcome of the policy statement. It is for this reason that Government had embarked on certain courses of action which have been adopted after in-depth consideration and which we feel will be relevant to findings of the proposed study. Among these developments are institutional restructuring.

The programme of restructuring will centre on some of the agencies which come under the control of the Minister of Trade, Industry and Tourism and will be

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

finalized very early in 1994. The programme which involves the Tourism Development Authority, the Industrial Development Corporation and the Export Development Corporation is aimed at the creation of an institution geared towards facilitating investment, both local and foreign, on a much more effective and efficient basis than previously obtained. This is particularly relevant in taking into consideration the financial constraints which confront the Exchequer at this time, as a result of which every effort must be made to optimize the use of the very limited funds at our disposal.

The new institution will also focus in a more sustained way on investment promotion and the marketing of Trinidad and Tobago as the location for business activity. In pursuit of this objective, Government has already taken a decision to form a Tourism Industrial Development Company of Trinidad and Tobago, which will be established under the Companies Ordinances, and which will also be provided with a number of statutory powers to ensure that it can carry out its stated mandate. This institution will come into operation in early 1994.

Just as an aside, let me mention that the direct mandate of this Tourism Industrial Development Company would be to market Trinidad and Tobago in three specific areas; one, as a tourism destination; two, as an ideal and secure location for investment, and three, to market Trinidad and Tobago's goods and services abroad. At this point, I would also like to mention the Export Trading Company which was established in 1985 with the aim, *inter alia*, of facilitating local exporters in accessing external markets and also to assist them in dealing with the variety of difficulties experienced in exporting.

Equity in the company was originally provided by the state to the extent of TT \$1 million. However, in keeping with our policy that the private sector should assume some share of the burden of economic development, a decision was taken to offer some shareholding in the company to the private sector. This will be attained by increasing the share capital of the company by a further \$4 million, which we hope will be subscribed by the private sector.

Although the company has been in operation over the last few years it is now intended to intensify its operations, particularly in the areas of the provision of services, such as marketing consultancy and specialized export services. The importance of these activities lies in the major thrust the Government is giving to export-led growth, with the major emphasis being placed on the non-oil sector. The services which are being provided are also critical to the development of the country's export capability, especially by entrepreneurs in the small and medium-sized business sectors.

Experience in a number of countries has shown that it is these sectors, that is, the small and medium-sized business organizations, which have shown a capacity to provide meaningful levels of employment opportunities at cost per job significantly lower than the major capital intensive activities. In this way, we will be attempting to achieve two of our economic objectives: increasing the level of non-oil exports, at the same time reducing the high unemployment rate.

A word about incentives. Approved enterprises continue to be provided with a number of incentives, including exemptions from customs duties, import surcharges and stamp duties. A five per cent duty, however, is still applicable to inputs into the manufacturing process, with an accompanying rebate to the manufacturer where the product is exported. An indication of the extent of such incentives for the period January to October, 1993, is as follows:

Number of firms given approvals for concessions	78
Capital investment involved	\$95 million
(These are basically local firms)	
Number of persons projected to be employed	1,731

Similar incentives are provided under the Fiscal Incentives Act whereby an approved enterprise may be granted, in respect of an approved product, a tax holding up to a maximum of 10 years during which all or any of the following benefits must be conferred:

- (a) Total or partial relief from either customs duty or corporation tax;
- (b) An offsetting of losses.

Moreover, as this honourable House is aware, a facility was introduced in 1993 whereby rental income accruing from industrial and commercial properties, the construction of which commenced after January 1, 1993 and is to be completed before December 31, 1994, along with capital gains and profits derived from the sale of such properties, would be exempt from corporation tax.

The Minister of Finance in his 1994 Budget Speech, has submitted that he will have this facility extended by a further year, to December 21, 1995.

The information which is available to me shows that as at November 1993, 22 firms have made use of this facility. The estimated value of construction work to be undertaken is of the order of \$117 million.

Apart from the further provision of an allowable deduction of 150 per cent of promotion expenses to encourage export expansion, the 1994 Budget has

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

introduced the incremental profits tax as one of the measures which Government is taking to enhance economic growth. This measure is expected to provide a major incentive for companies to expand their operations or improve the productivity of their existing plant and equipment, for example, through retooling with their reinvested earnings. The measure will also supplement the facility provided under the Business Expansion and Industrial Restructuring Loan project, a loan which was entered into between the Government of Trinidad and Tobago and the World Bank.

2.15 p.m.

Included in this project is a credit component which would help private enterprise finance a wide range of investments including plant and equipment, incremental working capital and technical services related to the development of productive activities within a liberalized incentive regime. In this regard it would be noted that the emphasis of the project would be towards equipping companies to enter and compete effectively in export markets. The extent of the credit component would be some US \$20 million.

The project also makes provision for the undertaking of a study on foreign investment. And two, to develop an effective programme for strategically promoting the country as an effective location for internationally competitive manufacturing and service industries. This study is significant because it will enhance Trinidad and Tobago's ability to successfully attract foreign investors in the context of intense global competition for foreign capital.

In this context, Government has already obtained the services of a group of consultants, the Foreign Investment Advisory Service (FIAS), who will conduct, at their own expense, the above-mentioned diagnostic study of the environment for foreign direct investment in Trinidad and Tobago.

For the information of this honourable House, the Foreign Investment Advisory Service is a division of the International Finance Corporation which in itself is a subsidiary of the World Bank. FIAS has already dispatched a team to Trinidad and Tobago on a two-week fact finding mission which will review and make recommendations on a number of foreign investment-related policy, regulatory and institutional issues. The team will also review the adequacy of Trinidad and Tobago's promotional efforts.

In keeping with its mandate, the team will meet the various Government agencies, local and foreign investors and other business organizations such as law firms and accounting firms, the local Chambers of Commerce, as well as

manufacturers. At the conclusion of its fact finding mission, the team from the FIAS will present Government with a debriefing, following which a draft of the full study will be delivered for consideration by Government. The final report is expected to be transmitted to Government by March, 1994.

Other developments: In the light of the developments that are taking place in the international economy, and the fact that Trinidad and Tobago is one among a very large number of countries seeking to attract investment, some of them by providing an extremely wide range of very generous incentives, Government has found it necessary, as a matter of high priority, to adopt a policy of direct contact with foreign investors. In other words, it is becoming more and more imperative that a very proactive stance be taken if we are to attract a meaningful level of investment.

I wish to emphasize that the competition for foreign investment is extremely keen, and has been made more so, for example, by the fact that several states in the United States of America are also in the arena seeking such investments. In addition, there are the opportunities that will be created as the states of Eastern Europe proceed with their programmes of economic and political liberalization.

Another development that has emerged relates to South East Asia where investors in those areas are finding the regional market to be quite attractive for their investments, thereby limiting the amount of investment that would be available for extra-regional allocation. I am told that the amount of investment that is now finding its way into China has exceeded the expectations of the Chinese Government with its own pursuit of liberalization.

Such are the developments which we have to face. It is important to recognize—as I have said on a number of occasions—that Trinidad and Tobago has committed itself to the creation of an environment that would be attractive to investment. I have already referred today to the rationalization of institutions under my control. I would like to add here that the legislative framework as it affects investment is also being addressed with a view to amending, where necessary, existing laws, together with the harmonization of various pieces of legislation to ensure consistency and transparency in the application.

Accordingly, the country has taken, and is continuing to take major steps to have an investment friendly environment. It is against this background that it has been found necessary to receive a number of investment missions. Such missions have included one from the Overseas Private Investment Corporation of the United States of America (OPIC) and a subsequent reversed OPEC mission to the United States of America.

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

Another mission early this year visited Puerto Rico, while a third went to the Far East, with visits, among other countries, to South Korea and Hong Kong. These missions comprised both Government and private sector representatives. The private sector in its own right also mounted a mission to Colombia.

Additionally, hon. Members will recall that the hon. Prime Minister led two delegations to the United Kingdom and Europe, where he held discussions *inter alia* with several investors and investment institutions. The benefits from such contacts are not always immediate. In many instances, a great deal of follow-up work is necessary and this is being assiduously pursued. In other instances, however, substantial results have already been achieved. For example, as a result of the Far East mission, a number of projects have been identified and discussions are proceeding between entrepreneurs in the respective countries and those in Trinidad and Tobago with respect to their implementation. Unfortunately, I am not at liberty to disclose at this time the details of these projects which are, basically, private sector projects.

Regarding the private sector mission to Colombia, you will observe in today's newspapers that two of the companies that had participated have been able to secure orders, and as recorded, although other companies may not have had orders, they nevertheless had obtained some guarantee, some contacts and certainly, invaluable experience. I would like to publicly compliment the private sector on the initiatives it has been taking, as I am sure, that with Government's commitment and their resolve, the objectives of our economic strategy would be attained.

Closely associated with the mounting of the trade mission, was this country's participation in an international exposition which was held in Taejon, Korea between August 7 and November 7, 1993. In broad terms, the objective of the exposition was to launch a global effort to find solutions to the problems of industrialization with emphasis being given to finding ways to combat pollution, efficiently using resources and maintaining traditional values in the course of industrialization.

It is estimated that of the more than 13 million persons who visited the exposition, there were at least 4 million visitors to the Trinidad and Tobago pavilion. Arising out of participation in the exposition were certain benefits, among which, was the exposure of Trinidad and Tobago to one of the major—

Miss Nicholson: Madam Speaker, I am objecting to what is going on. Is it a debate, or a total reading of a statement by the Minister? He is making no reference at all to the whole debate. I would like you to rule on that, please.

Madam Speaker: probably the hon. Minister could take note of what the hon. Member has said.

Hon. B. Keui Tung: Very well, Madam Speaker.

What I seek to do is to give in its context, an idea as to what the Ministry of Trade, Industry and Tourism has been doing. Two documents have been presented. You would recall that last year the Minister of Finance produced the *Medium-Term Policy Framework* which covered the period 1993 to 1995. This year he has presented the budget document. What I am seeking to do, is to indicate how the budget document and the *Medium-Term Policy Framework* fit within the economic and trade policies that the Government is pursuing.

2.25 p.m.

Although the economy has been beset by various difficulties, nevertheless, it has been possible for several companies to experience some degree of success in their operations. What I am seeking to do is to indicate that incentives which are allowed by the Minister of Finance in his budget presentation, have had a number of successes already in the private sector. I, personally, have had the opportunity to visit many of these companies and I can say with confidence that we are in the process of creating enterprises which in the future can hold their own in the international arena.

The operations I have visited range from one that started its production activity within a residence and is now a multi-million dollar export-oriented enterprise. It also reaches some of our major products which have undertaken extensive upgrading to accommodate a more discerning local market and the development of export capability.

Moreover, it has been drawn to my attention that another company has a programme of expansion in the pipeline, at the end of which it will be one of the largest equipment manufacturers in the world. This same company has, within three years, already expanded its labour force from approximately 200 in 1990 to 475 in 1993. These numbers have been provided by the company itself and what I am seeking to indicate to this honourable House is that jobs are being created within the measures of the 1993 Budget as well as the 1994 Budget. So I seek to bring this House up to date with the information that is given to the Government freely by members of the private sector to indicate that our policies are beginning to bear fruit.

Let me now talk a little about small business development. It is now widely accepted that the small business sector can play a vital role in the economic

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

development of countries, especially as it relates to income generation and more particularly employment creation.

Small Business Development Company Limited, after a mere three years of full operating life, has set about its mandate of fostering the development of small businesses throughout Trinidad and Tobago. The company has formulated a medium-term action plan which will be implemented from 1994. I wish to share with this honourable House some of the main aspects of this plan.

The action plan focuses on three areas of activity:

- (i) Financial services;
- (ii) Business support services; and
- (iii) Entrepreneurial development.

With regard to financial services, perhaps the greatest constraint on the development of the small business sector is access to credit. The situation in Trinidad and Tobago is particularly acute because of the relatively tight liquidity which has existed over the last two years. In fact, the Small Business Development Company has recorded a decline in guarantee activity, which is an indicator of reduced credit to the small business sector.

In order to facilitate increased lending to the sector in 1994, the Minister of Finance in his budget proposes a tax deduction equal to 10 per cent of the net increase in loans by financial institutions to approved small companies. Furthermore, financial institutions will be exempt from corporation tax on 50 per cent of interest earned on transactions to approved small companies. These are very positive incentives which we would expect lending institutions to utilize to increase the volume of loans available to small business.

The Small Business Development Company also proposes to establish its own venture-capital operations on a pilot basis, and it seeks to do this with grant funds to be sourced from the European Economic Community. Through this mechanism, small companies with growth potential will be able to obtain equity investments, thereby strengthening their own balance sheets. The budget indicated that legislation will be introduced to support the development of a venture-capital industry in Trinidad and Tobago, which will be a major addition to the financial sector. A proposal has already been submitted to the Inter-American Development Bank for additional grant funding for venture capital through the Multilateral Investment Fund.

Small businesses that operate at the survival or microenterprise level will not be neglected. The Small Business Development Company will extend and

enhance its guarantee arrangements to embrace major credit unions and non-governmental organizations, which are better suited to financing microenterprises. Funding will also be sourced from the European Community through the Small Business Development Company for on-lending by the non-governmental organizations and the co-operative sectors.

While it is anticipated that the liquidity situation will continue to be tight in 1994, Cabinet has already approved an approach to the IDB for funding for the small business sector as part of a large country programme. The funding that is so obtained will be provided to the banking sector for on-lending to small businesses.

With respect to business support services, it is recognized that business failure rates can be unacceptably high where support services are inadequate. The Small Business Development Company will be intensifying its support in the areas of business advice and counselling and business information in 1994.

It is widely accepted that the first three years in the life of a business are the most crucial, and very often survival depends on the availability of sound business advice and counselling. It is proposed to institute in 1994 a counselling programme which will utilize retired, experienced persons and volunteer professionals, organized on a regional basis, to provide on-the-spot advice. In very many cases these small businesses tend to flounder because of the inexperience of their promoters. What the Small Business Development Company is seeking to do is to attract a cadre of successful, retired businessmen who will be prepared to lend their expertise freely and willingly to these small businessmen who will be prepared to lend their expertise freely and willingly to these small businesses to ensure that they, as it were, hold their hands through this very difficult early period.

Easily accessible business information is also vital to the start-up and growth of businesses, and the National Business Information Centre was established in April, 1993 at the Small Business Development Company to fill this gap. In 1994, the services of this centre will be expanded through funding to be sourced from the Multilateral Investment Fund, which is being administered by the IDB. A proposal has already been submitted for this.

With respect to entrepreneurship development, it has been argued that the long-term constraint to business development in Trinidad and Tobago is a lack of entrepreneurs. As a result of the age structure of our population, in which persons 30 years and under represent 60 per cent of the total, with approximately 40 per

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

cent unemployed, it is inevitable that enterprise development initiatives must focus on the youth. In so doing, however, we must take account of the fact that this group displays greater vulnerability in business and will require closer support. The Small Business Development Company will address this issue in 1994 through various initiatives, including a community ventures programme.

This community ventures programme will involve the mobilization of persons, ideas and resources at community level to start up or expand businesses that can generate income and employment for the respective communities. The Community Enterprise Development Fund announced in the budget will, therefore, be an important source for financing feasible projects at the community level.

The above initiatives constitute the major part of the programme for the development of the small business sector commencing in 1994. In addition to the specific initiatives detailed, promotional work will also be undertaken to inculcate the need for a new culture of self-employment.

I now turn to the tourism sector. As the Minister of Finance informed this House in his budget speech, the tourism sector has been identified as one of the priorities for action and implementation in 1994. In this regard, it is expected that the incentive which is to be provided to the effect that 25 per cent of equity investment in approved hotel and tourism development projects will be allowable as a tax deductible expense, will go some way in ensuring that a number of projects would come to fruition in the near future.

Of course, hotel establishments will continue to benefit from existing incentives, as for example, in the area of refurbishing. With respect to construction activity during the course of 1993, six new hotel projects were approved, involving the creation of 141 rooms and direct jobs for over 100 persons.

On the question of incentives, I would also like to bring this House up to date. Recently a subcommittee of Cabinet was appointed, comprising both private sector and public sector individuals, to review Government's regime of fiscal incentives. This committee included three Government Ministers and was chaired by Minister Valley. It included Minister Rowley, the Minister of Agriculture and Marine Resources, and me. Also involved were people like the Chairman of the Board of Inland Revenue, and a number of private sector individuals.

Arising out of some work done by the Chairman of the Board of Inland Revenue, it was recognized that our incentives evolved, as it were, over a number

of years, and in that case they resided in several Acts, either Finance Acts or specific Acts of Parliament. It was felt, therefore, that a review was critical at this time in view of the fact that we were trying to make Trinidad and Tobago an attractive and secure location for investment. What we discovered was that many of our incentives have overlapped and in some cases are duplicated.

2.35 p.m.

We hoped, as part of the review, to ensure that we were competitive in terms of the generous incentives that are being offered by other countries, but, more importantly, that we were able to rationalize our incentive regime. As a result, the committee met with a number of interested groups—the Hotel and Tourism Industry, the Chambers, and the TTMA. Out of those meetings we have been able to develop a paper. Some of these incentives have not been able to find their way into the budget at this time, given the time constraints we were faced with, but I can undertake that a formal document will be prepared eventually, that will inform us with respect to our total incentive regime.

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

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

Question put and agreed to.

Hon. B. Kuei Tung: Thank you, Madam Speaker. As regards institutional developments, I have already brought the House up to date earlier in my presentation when I referred to the establishment of the Tourism Industrial Development Company of Trinidad and Tobago which, as I indicated, will be coming into operation in early 1994.

But, in addition, consideration is being given to the establishment of a Tourism Marketing Corporation which will be a vehicle for the promotion of Trinidad and Tobago as a tourist destination. The Corporation will be entirely private sector oriented, and will be seen as a means of encouraging participation from that source. It is being proposed that some form of tax benefit should be provided. Furthermore, Cabinet is at present considering a proposal to create a commission on national parks and tourism sites which will be responsible for the maintenance and development of such areas as part of our overall tourism thrust.

As with industrial development, plans are in train for the preparation of a master plan for the tourism sector and this is expected to be completed by the end of 1994. Also, this plan will set the tone for the development of the tourism sector

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

in the early years of the new century. Again, Government has realized it would not be logical at this time to await the proposals or recommendations which would emanate from this tourism master plan before taking action in areas, some of which I have already identified. These areas have been carefully thought out and I am in no doubt that they will fit into the final plan when it is approved.

The year 1994 is expected to see a significant development in the area of event tourism. This will encompass the promotion and marketing of the cultural and sporting attributes of the nation, making use, where possible, of satellite transmission to various countries which are, or could prove to be, a major source of visitors to this country. In the first place, it is projected that the potential increase in visitor arrivals would contribute to a corresponding increase in the occupancy rate of hotels which, at present, is estimated to be as low as 50 per cent. Since the events will be staged at different periods, it is expected that this would also contribute to a more even flow of tourists throughout the year.

Another important development that is taking place pertains to visiting pleasure craft, or yachts. It is encouraging to note that over the past three years such craft have grown from 60 visiting craft in 1990 to 602 in 1992 and is estimated to increase to more than 1,000 vessels in 1993. This development is due in no small way to the excellent telecommunications, local repair and maintenance facilities, which are available to these craft in Trinidad and Tobago. The provision of these facilities, together with services such as refuelling, restocking and the provision of foodstuffs and the payment of harbour and other fees, constitutes a sizeable source of foreign exchange for our country, and this is apart from boosting this country's tourism thrust. Of course, it also contributes to the creation of job opportunities.

In recognition of the benefits that are being derived from the pleasure craft trade, the Government will be taking steps to reduce or eliminate a number of impediments which affect this trade. The aim here is to further encourage the use of the facilities in Trinidad and Tobago by even larger numbers of such craft, because of the accompanying benefits that will accrue to our country. Steps will be taken, therefore, to ensure that this is achieved within a rational framework to ensure that any adverse consequences are kept to a minimum.

A word about investment promotion protection agreements. Government, in pursuing the structural adjustment process, intends to continue to encourage the private sector, in contrast with these past years when Government was, in fact, the lead investor in the local economy. In so doing, Government has placed particular

emphasis on the development of the private sector as the main agent in promoting balanced and sustainable growth in the years ahead.

A crucial element in the achievement of these objectives is the facilitation of increased investment flows, both local and foreign, to expand the country's base of internationally competitive production. This will be generally achieved by making the economy more attractive to investors by promoting a welcome and secure climate for such investments. In order to achieve the increased flow of investments, particularly from foreign sources, the importance of investment protection is one element which must be recognized.

This crucial role of investment protection is articulated by the conclusion between countries, in their mutual interest, of investment promotion and protection agreements as one of the primary vehicles for fostering investment flows between the states. The basic principles of these agreements focus on fair and equitable treatment, as well as a predictable and secure investment climate for foreign investors.

Investment promotion and protection agreements have been concluded for the past several decades by many countries, particularly between industrialized countries. However, with the trend towards liberalization among developing countries, government have been willing to conclude such agreements with those countries considered to be sources of investment capital. The source countries, in turn, regard these agreements as essential for their national investments in the host countries.

Consistent with Government's policy of making Trinidad and Tobago a more attractive location for foreign investment, such agreements are being pursued with several countries on a priority basis. In this regard, an investment promotion and protection agreement was concluded by the Government of Trinidad and Tobago with the Government of the United Kingdom in July, 1993. Subsequently, a similar agreement was entered into with the Government of France in October, 1993. Negotiations towards the conclusion of an agreement are also currently underway with the Government of Germany, the United States, Italy, Switzerland, Argentina and other states, which will be identified.

So one can see that the policies and programmes which have been outlined thus far and some of which are contained in the budget, are very much in harmony with, and continue to contribute to, the overall objectives of Government to promote the structural transformation of the economy and to realize self-sustained growth. At the same time, an improved quality of life for all of us, in keeping with

Appropriation Bill (Budget)
[HON. B. KUEI TUNG]

Thursday, December 02, 1993

the desirable and acceptable standards of socio, cultural and environmental values, will continue to be the hallmark of all our initiatives. It is from this standpoint that I support the Minister of Finance, I commend the budget to the other side.

Thank you very much, Madam Speaker.

2.45 p.m.

Mr. A.N.R. Robinson (*Tobago East*): Thank you very much, Madam Speaker. I should have liked to compliment the hon. Minister who has just spoken, but I must say that in my 35 years spanning life in Parliament, I have never seen a performance like this. I thought I was in an operating theatre being anesthetized prior to a surgical operation. I hope that Parliament will be more enlivened by parliamentary performances in the future and I also hope that the Prime Minister will take steps to see that his Ministers do perform as Ministers should perform in a Parliament, and not read their entire speeches in such a lifeless fashion.

I am sorry to be so acerbic in my comments but one gets a bit impatient after 35 years. I have served several parliamentary terms and I have functioned under several Speakers and more than one Prime Minister so I think you will excuse me if I express quite frankly how I feel.

Mr. Valley: The question is whether the population will excuse you.

Mr. A.N.R. Robinson: You await your fate; and you do not know what it is.

Mr. Valley: I am prepared to wait.

Mr. A.N.R. Robinson: May I congratulate or may I say, may I express my relief at the presence of the hon. Member for Chaguanas in this House. The incarceration of a Member of Parliament is always a cause for concern and the incarceration of the Member for Chaguanas has been of concern to me and, I am sure, many others. I want to say I empathized with her while she was in prison. It takes enormous courage for a woman in Trinidad to go into one of our prisons. I must say that I admire her courage and I think a lot of that is required in our country today.

I know that in speaking, I am subjecting myself to the fury and the venom of the opposite side, but I have done so for many years and I will continue to do so and to do my duty regardless.

Mr. Manning: Madam Speaker, could I assure the hon. Member for Tobago East that there is no fury and no venom coming from this side, only amusement. We see him as an hon. Member opposite.

Mr. A.N.R. Robinson: There is always the olive branch that is extended.

The second point I would like to make concerns the budgetary process where the practice had grown in this House to circulate the important budgetary documents prior to budget presentation, so that hon. Members and the country would have an opportunity to see the basis on which the budget was prepared and to analyze and evaluate its contents immediately on its presentation.

In fact, in some parliaments, the Opposition spokesman speaks immediately after the budget speech has been delivered, because there is sufficient information available on the basis of which preparation can take place. It seems now that a practice is developing to dump a ton of documents on us the day of the budget presentation so that there will be no opportunity to scrutinize the budget statistics carefully, or at all, prior to the Government propaganda machinery being brought into full play.

It was quite clear that long before the budget statement was to be made, an elaborate propaganda machine was deployed and was in operation. It appears that this process is to continue for quite some time. But this does not affect in any way the reality of the situation.

The reality of the situation today is a very grim one. I looked hard for reasons to congratulate the hon. Minister of Finance and I must say I congratulate him on his excellent delivery. At times, I saw the image of a Pope Pius and at other times I heard the *ex cathedra* pronouncements of a Pope Pontificus. When I began to scrutinize the budget statement, or listen further to the budget statement, here is what I discovered.

I refer first of all, to the reference to the global economy. A budget statement is expected to be balanced, to give the negative side as well as the positive side, so that the country can have a fair basis on which to make its evaluation. Here, we have a description of the global economy in the budget address. I quote from a part of it. Most of it deals with the changes due to the technological and communications revolution, changes which have been taking place in the developed countries of the world.

“Growth of the world economy seems to have stalled at around 2 percent for the fourth year in succession and indications of a resumption of stronger growth in 1994 are at best very tentative. In the major industrialized countries, economic performance has been even slower at 1 per cent and has tended to fuel protectionist sentiments—”

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

We hear about North America and about Europe but there is an amazing gap in this evaluation of the global situation. There is no reference whatever to developing countries. Do you know why?

For the first time in two decades, the developing countries have grown at a much faster rate than the industrialized countries. Is that not of some significance to the global economy? We are a developing country and for the first time in two decades, the developing countries as a whole have grown at a much faster rate than the developed countries, but we hear not a single word about that.

The developed countries have been in recession as a whole, but the developing countries, quite contrary to the traditional wisdom which has held so far that developing countries can only be moved by the motor of developed countries, that when the developed countries are in recession the developing countries regress and when the developed countries are growing, then the developing countries are tagged along with the development. That has been the conventional wisdom, but for the first time there has been a reversal in that process. That is expected to continue into 1994.

Let me read from this document, *The World Economic Survey*, published by the United Nations. The first paragraph says:

“The world economy remains listless. World output has been growing well below potential since 1990. For the third year in succession, in 1993 the rate of growth of world output will be below that of world population. Stagnation characterizes the developed market economies and decline continues to be a feature of the economies in transition.”

That is the Eastern European and the Federation economies. It goes on:

“On the other hand, the developing countries as a group are growing at a pace not seen since the 1970s. Developing economies in Asia, including the most populous countries, and in the Southern cone of Latin America are expanding rapidly.”

2.55 p.m.

That is the first paragraph of this global survey: *World Economic Survey 1993*, by the United Nations. But we hear not a word of that aspect of the matter. I emphasize it, you see, because there is a significance in that omission, in that lack of candour, in that lack of dispassionate presentation by the Minister of Finance, speaking on behalf of the Government.

We see in the *Review of the Economy*, again in the first paragraph, a great deal of emphasis on what has happened in the developed countries, but later on there is some reference to the developing countries, a reference which is totally omitted from the budget speech.

You see, the positioning of Trinidad and Tobago in the global economy is very important to begin with. Trinidad and Tobago, as a developing country, relates in terms of economic analysis to other developing countries. Now when you position Trinidad and Tobago in relation to the developed countries alone, you are presenting a distorted picture of our economic situation. This is so important a point, because this distortion, this twisting of the perspective, appears repeatedly. We have to see how this country has fared historically in our development, as a background to this budget and as an illustration of the kind of psychology which leads to this kind of presentation.

I want to refer to *The World Bank Atlas of Per Capita Product and Population*. In the year 1966—I am going to compare Trinidad and Tobago with four countries in Asia, four in Europe and with five in the Caribbean region, lest it be said that we are comparing grapes with pommecytheres.

In the year 1966, the per capita domestic product of Trinidad and Tobago was US\$590 Japan was US\$660, not way above Trinidad and Tobago; South Korea was US\$120; Hong Kong, US\$320; Singapore, US\$460.

In 1990 Trinidad and Tobago, which was US\$590, became US\$3,800; Japan, which was US\$660 became US\$25,430; South Korea, which was US\$120, became US\$5,400. That is more than 5 times. Hong Kong, which was US\$320, became US\$11,540 in 1990; and Singapore, which was US\$460, became US\$12,310 by 1990.

Now in Southern Europe ever one of these countries that I shall mention had lower per capita gross domestic product than Trinidad and Tobago's every one of them Greece, US\$510 as against US\$590 for Trinidad and Tobago. But Greece by 1990 was US\$6,000 as against US\$3,800. Spain, which was US\$530, by 1990 was US\$10,920, as against US\$3,800. Portugal, which was US\$340, became US\$4,890, and Malta, which was US\$410, became US\$6,630.

You say, but this is Asia and Europe, tell us about the Caribbean region. Listen to the Caribbean region. I am quoting now figures from two documents. May I mention that the source of my figures for 1990 is the *International Year Book and Statesmen's Who's Who* of 1992. Those are my sources.

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

Now the Caribbean. The first source will be *The Caribbean Community in the 1980s*, a report by a group of Caribbean experts, and the second will be *The Statistical Profile of the Caribbean Community*, which is an addendum to the document of the West Indian Commission. So it is the Caribbean region, 1979 as against 1991.

In 1979, the per capital gross domestic product of Barbados was US\$2,152; in 1991 it became three times as much, US\$6,645. Antigua/Barbuda, which we turn up our noses at and say “small island,” was US\$1,001 in 1979 and in 1991 it is six times as much, US\$6,591. St. Kitts/Nevis, also “Small Island” US\$704—bagatelle, peanuts. In 1991 that became US\$3,974. Montserrat which is only 33 square miles with 15,000 to 16,000 people, in 1979, US\$972, by 1991 US\$5,387, more than five times. Anguilla, which we heard so about at one time where the venerable Prime Minister Bradshaw threatened to put salt in their soup and bones in their rice—I do not have their figure for 1979 because they did not exist separately, but by 1991 they were US\$6,778.

Trinidad and Tobago, US\$3,800, from US\$3,485. Trinidad and Tobago hardly grew over the period which included the oil boom. The billions of dollars that the Leader of the Opposition so eloquently talked about yesterday did not make a difference to Trinidad and Tobago. This is cause for profound thought, which we have not yet engaged in; we are not doing it.

3.05 p.m.

We have the kind of presentation that we had recently, and we go on in this pedestrian fashion with no real serious analysis. Where did Trinidad and Tobago go wrong—where Japan can be US\$25,000; South Korea can be US\$5,591; St. Kitts-Nevis, US\$3,974; Montserrat, US\$5,387; Anguilla, US 6,778; Trinidad and Tobago, US \$3,800? Something had to be grievously wrong; dramatically wrong; drastically wrong; critically wrong! If we are not prepared to admit that, we may as well shut up, shut down and go.

The point is that all the issues that we are talking about today are not new ones, as the Leader of the Opposition pointed out. It appears that there is much parroting of the same things, maybe, in a different language. I regret that I had to decide to refer to these matters but I had to, because I see the seriousness of the situation. I have seen it for quite some time now. We get abuse and vilification when we raise these issues.

Over 20 years ago I had the honour to be the first Minister of Finance of this country, and I consider that to be so significant that I thought I had a duty to write

about it, and that is what I did. In order to make my point that these are not new issues, I quote from page 103 of *The Mechanics of Independence*.

“The 1964 budget laid great emphasis on financial discipline:

Financial discipline means, firstly, a fiscal structure designed to raise adequate revenues to enable the Government to discharge its functions. It means, secondly, the collection of those revenues. Thirdly, it means the rigid control of expenditures. Fourthly, it means the proper appropriation of those expenditures. Fifthly, it means the relation of those expenditures to pre-determined ends based upon a rational order of priorities in accordance with the economic objectives and social and political philosophy of the government. Lastly, financial discipline means financial planning; and the essence of financial planning is so to manage the nation’s finances that, on the one hand, the most effective use can be made of existing financial resources and, on the other...the maximum amount of additional reserves can be attracted. This requires a balance between immediate and pressing needs and long-term requirements.”

We did not need to have the IMF and the IBRD to tell us what financial discipline is and to impose any structural adjustment programme. We learnt this in the first years of independence. In the five years of independence the whole scenario that opened up before us clearly told us what we faced. We have a similar situation in terms of the deceleration of the economy.

I now quote from page 111:

“...before the end of the first five-year plan and immediately prior to independence, three developments of considerable significance were in progress: (1) a dramatic decline in the current account surplus and a consequent decline in the contribution to development from this source; (2) the exhaustion of surplus balances; and (3) expenditure rising at a considerably faster rate than revenue.”

That was the situation that faced us at independence when we had to find money for foreign affairs, defence, planning and capital investment, in order to increase capital formation and produce growth. Throughout the period following independence, the results of these developments continued to cause real headaches. I am sorry the Minister of Finance is not here. He is having real headaches now. I do not sympathize with him at all, because he knew what he was getting into. Much effort was devoted to arresting and reversing the trends they indicated.

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

One would find a great deal of emphasis on efficiency; on competitiveness; the need to expand exports; the need to diversify; the need to develop manufacturing industry, agriculture and tourism. It is all there in the first years. It is not that we did not know what was to be done. We knew what was to be done. Why was it not done? That is the question we have to ask. If we cannot understand our history, we are destined to repeat the mistakes of that history. Why did we not do what we knew needed to be done? I had my views.

The year 1966 happened to be the last year of my tenure as Minister of Finance, and I know the struggles that I had in that party and in the Government. That is one of the reasons why I wrote this book. I went through the political pressures to spend money to remain in power. I am sure the current Minister of Finance must be going through with some of it, but then, as I said, I am sure he knew.

What happened? Development planning was abandoned and then the oil boom came. With that vast, unexpected and unimagined volume of wealth, it all passed through Trinidad and Tobago, as Mr. Michael Manley said, like a dose of salts. If a country can find itself in that kind of situation, who is responsible? Nobody in Trinidad and Tobago is responsible, and that is the crux of the matter. No one accepts responsibility.

It just happened, as indeed, Japan's growth just happened: Singapore's just happened; South Korea's just happened; Barbados's just happened; Anguilla's just happened and Montserrat's just happened. Nobody accepts responsibility. A party which has been in power for 30 years accepts no responsibility for what happened and continues in this manner. So, today we have an analysis which tells us nothing about the most significant feature on the global economic scene which is that developing countries as a whole have been able to grow in spite of the fact that the developed countries did not. We are now blaming the developed countries for our lack of growth. We have to find somebody to blame. The root of it is ethical values—if one does not have ethical values, one would never accept responsibility.

Let us look a bit further into this budget presentation. I would deal with the question of the public debt. We had a restoration of the growth process. From 1988 to 1991 where was a progressive decline in the rate of deceleration so the graph moved upwards from below the line to above the line. In 1990 and 1991 there was growth.

3.15 p.m.

Again, the excessive desire for power and to spend produced these election promises and that famous document *In Defence of the People*. What do you do with people who are absolutely shameless? That is the trouble. No ethical principle. None whatever.

Those promises resulted in the abandonment of one of the most innovative mechanisms designed in this country. That was a National Investment Company. They abandoned the National Investment Company which was designed to do several very fundamental things to deal with the question of the debt to the public servants, to deal with the question of the attitude to business and shareholding in the society, and also to deal with the issue, to some extent, of leakages of foreign exchange.

The National Investment Company was so designed as to give the population equity in the state enterprises, and selected number of them, which meant that you would not have had to hand out so much cash—with all the other consequences to economic management which occurred in 1992—which meant that in the future, you would not have had leakages in dividends and profits which would take place when you alienate these enterprises to foreign shareholders. You have got to pay them dividends. You have got to repatriate profits.

The people who invest have to get a return on their investment and that has to go in foreign exchange. When you privatize T&TEC to a foreign company you have to buy the generators from abroad. That is foreign exchange. Those who invest, apart from bringing in the generators, have to invest capital, and that capital has got to give them returns and that has to go in foreign exchange.

We have never been against an intelligent, programmed and studied approach to privatization or restructuring, if you like, of the state enterprises. This wholesale helter-skelter alienation of the state enterprises which is taking place has never been contemplated by the party and the Government which I had the honour to lead, for the reasons I have mentioned. Certain issues arise in respect of the involvement of the population in business enterprise, the attitude to business and the psychology of development.

The recent study produced by the Centre for Ethnic Studies is of critical importance in this context. It identifies a number of problems which need not have existed to anything like the extent that exists today. This has resulted to some extent from the attitude which has been fostered to business and to the private sector. This is an issue which arose quite early in independence and,

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

Madam Speaker, may I crave your leave to quote from the book, the experience, and the conclusions which I had the honour to draw at page 153 in the *Mechanics of Independence*, 1991:

“It is an extraordinary fact that most ex-colonial governments have committed themselves to economic transformation and place high priority on economic growth and the performance of the private sector; but rarely is there the slightest provision for preparation in business techniques and organization. There is not yet an appreciation that business, like law, medicine, history, economics, and theology, can be taught in schools or in adult education programmes. The old European tradition of on-the-job training for management prevails with barnacle-like tenacity.

Even worse than a lack of training facilities is the tendency in the public sector to refuse to apply the principles of organization, management and personnel administration that the advanced countries have developed with vast success over the past fifty years. As public corporations operate some of the largest enterprises, the public sector’s neglect of training in business methods and management reinforces the widely held view—a view propagated by private enterprise dogmatists—that public enterprises are by definition inefficient. The assault on the problem of management and entrepreneurship must begin in the educational system...”

This was said more than 20 years ago.

“and the public sector, particularly in public utilities and the other service enterprises. In fact, except perhaps in pricing policies, public enterprises should be the common ground between the public and the private sectors, providing personnel for both and recruiting personnel from both, and they should have an even more comprehensive and imaginative training program. The idea that business competence is hereditary or can be picked up at random is as valid as the same argument with regard to competence in engineering, medicine, or law.”

What I was advocating was the schooling of the population in business methods, management techniques, and the use of these methods and management techniques in the public sector—more than 20 years ago. That is one of the fundamental reasons I had to part company with the hon. gentlemen opposite. And now, the enterprises that were set up, even those that we managed to build up with some amount of the savings that we had accumulated, we are now seeing them being dissolved and dissipated in a helter-skelter fashion.

This question of privatization is a major issue in the world today. Some people think privatization is the global wave. But not just like that. There are different methods of privatization and different approaches. I refer to this document, another United Nations publication, *Legal Aspects of Privatization in Industry, 1992*.

There has been some controversy in this country as to what privatization means. The generally accepted definition of privatization is the “transfer of the ownership of businesses or assets of state-owned enterprises to the private sector.” We have matters such as the critical examination of the choice of industries and sectors to privatize, the sequencing of privatization, the procedures and methods of privatization, institutions which are necessary.

One of the strong recommendations is that the whole management of privatization should be taken away from the political process; that a special unit should be set up to manage this; that there should be transparency. And what does this transparency involve? Transparency relating to what? Transparency relating to such matters as the valuation of enterprises. When you are in any general policy of privatization, what confidence can the citizenry have in the quantum of the consideration, of the amount of money that you get for the enterprise that you privatize?

There has got to be transparency. How do you do that valuation? It cannot be just market forces, because it has never been put on the market. It cannot be just replacement of assets. You have got to consider all these various alternatives and the profits situation in which the particular enterprise rests.

3.25 p.m.

Before you arrive at an educated—it cannot be exact—and calculated evaluation of what an asset should fetch from a private entrepreneur, there are so many things that have to be done in relation to that and other matters. You must have feasibility studies; the proper restructuring of the enterprise in order to ensure that the investor is going to be interested in a way that would give you a proper return for the asset that you are privatizing.

I propose that that is one of the aspects that this Parliament and the country would need to go into, because these enterprises represent what is left of our savings. The monetary savings were dissipated long ago. Our surpluses were used up in the boom period. Recurrent expenditures increased beyond management, and savings used up, and the state enterprise is what is left of the savings. The infrastructure, of course, has deteriorated beyond belief. It is all we have. That is why we have to be careful.

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

In order to ensure that what could happen, would not happen, that in the future we would find ourselves having to service all these foreign investments which we had to do in the early years of independence—that is why we had the withholding tax, which has yielded a fair sum of money over the 30 years. What we found was that going out in profits and dividends was more money than was coming in foreign investment.

Now, I deal with the case of Tobago because the time has come, as we are talking about restructuring, for a serious restructuring of the relationship between Trinidad and Tobago, and not only in political terms; there needs to be fundamental restructuring in the economic relationship as well. There needs to be an understanding between our Trinidadian brothers and sisters who have been misled so grievously over the year, concerning what this is all about.

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. Robinson: Thank you, Madam Speaker.

I have some figures of development expenditure in Tobago over a period of years. Over the period 1972—1983, actual expenditure for Trinidad and Tobago under the Development Programme was \$15 billion 995.1 million; the total expenditure for Tobago under the Development Programme was \$94.1 million. That is only the Development Programme expenditure. The long-term development funds were created during the oil boom years and those were spent. The total expenditure on both the development programme and the long term development fund for Trinidad and Tobago amounted to \$30.8 billion. Tobago received \$443.1 million; that is less than 1.5 per cent.

The history of the PNM is how the PNM Government underdeveloped and impoverished Tobago, when you compare the situation with Montserrat, Antigua, Anguilla and Barbados. When you hear the average per capita income in Trinidad and Tobago of US \$3,800; Tobago is one third of that, because Tobago is the least developed part of the country. There is no industry whatever. The tourism sector has just been devastated through insensitive and incompetent handling of an essential service for the growth of that industry.

When we come to talk about restructuring the political and economic relationship between Trinidad and Tobago, we have to be serious, not

confrontational. Let us just be serious and not treat Tobago in this flippant manner as it is treated in these estimates. I am dealing with this because it is the same attitude that appears in these estimates. When you look at these estimates you would find a section which talks about estimates for Tobago.

In the *Draft Estimates of Revenue for the Year 1994* page (iii) states:

“Abstract of the Estimated Tax Revenue for the year ending 31st December, 1994 Actual Revenue 1992 and Revised Estimates for Revenue for 1993.”

When you look at this you see estimate of revenue for Tobago: Taxes on income and profits, 1994, \$26.7 million; taxes on property \$1.9 million; taxes on goods and services \$12 million; taxes on international trade \$1.3 million.

I am sorry the Minister of Finance is not here. I would expect this from—I do not want to be personal but—some other Member. A Yale and Cambridge economist could not produce this document. I have to conclude that it was not produced by him and he probably did not even notice. What is the source of these figures? Prime Minister, since the Minister of Finance is not here, can you tell us what is the source of these figures? Can you rise and tell us? You are so quick to rise.

Mr. Manning: At least I can still rise. [*Laughter*]

3.35 p.m.

Mr. A.N.R. Robinson: Prime Minister, your rising has been totally ineffective! [*Laughter*]

Do you know what has happened? The framers of this document do not even understand. International taxes for Tobago are collected in Trinidad. They have centralized all services in Trinidad, and particularly in Port of Spain. Most of the income tax attributable to Tobago is collected in Trinidad. Customs duties are collected in Trinidad. Licences of many kinds are collected in Trinidad. They do not understand that.

All these branches of banks and businesses from Trinidad pay their taxes in Trinidad. A lack of understanding! I hope they will try to learn. After 30 years, it is difficult. You can understand the impatience of Tobago. If they can produce this kind of document giving this impression of the world, then one can understand the impatience of Tobago. Tobago is more patient than any other community I know in the region, and few communities in the world have demonstrated the patience that Tobago has demonstrated.

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

When we come to discuss seriously this matter of the restructuring of the relationship between Trinidad and Tobago, there are several matters which, if we are serious, we take into account. Firstly, the physical separation of Tobago from Trinidad, and its distinct identity. Secondly, Tobago is isolated from the principal national growth centres. It is isolated from Point Lisas; it is isolated from the petroleum industry—the whole of this industry is in the south. It is isolated from O'Meara. It is isolated from Beetham, all of these areas.

No Tobagonian can leave Tobago, get a job and work and go back. He has to leave Tobago altogether. You have to understand that. So it is with all the major social and educational centres—Queen's Hall, National stadium, University of the West Indies, John Donaldson Technical Institute. No Tobagonian resident in Tobago can make use of any of these. Those opposite have to understand that they are impoverishing Tobago.

Thirdly, the economist would put it this way: The absence of the multiplier effect of expenditure and investments made in Trinidad. When they talk about billions of dollars being spent on LNG plants, billions on methanol and hundreds of millions on exploration for oil, the money that is spent circulates in Trinidad. People get jobs here, they spend the money in the shops, they buy their goods, the money circulates, and they employ other people. Very little of that goes to Tobago. In fact what happens even when the Government spends money in Tobago—and the PNM Government has made Tobago totally dependent on it—most of the money comes back to Trinidad for purchases.

That is the classic process of impoverishment and under-development. There is no productive sector in Tobago. Agriculture has been virtually wiped out and the pittance of the \$100 million given by the European Community, even that the Prime Minister has filched from Tobago. The olive branch is in one hand.

So you know why we have to talk seriously. When we are talking restructuring we have to talk seriously. We have to look at the restricted opportunities for employment and career fulfilment in Tobago. The sacred unitary state produces all of this. We have to talk about the low level of private investment. There is hardly any investment. Even when people seek to invest, they are discouraged from investing in Tobago and are advised to invest in Trinidad instead. We need to expand productive output particularly in the agricultural, fishing and manufacturing sectors.

There is the impracticability of participation by residents of Tobago in the highly intensive development effort in areas of Trinidad, the need for an expanded infrastructure to support accelerated development; the need for an accelerated programme of development and for technical and administrative personnel adequate in numbers and quality to formulate and implement the programme.

One cannot create a county council structure in Tobago and put a few officers, most at a level that cannot even deal with the issues that come up, and say that that is what one wants for Tobago. That is not enough.

Tobago must have the kind of structure and personnel that can handle issues of development, that can deal, not only with Trinidad, but also with the outside world. That is why Montserrat is where it is today. That is why Antigua and Barbados are where they are today. No community or island in the state of Tobago can and will develop. You have to understand that Tobago has no future whatever under the present dispensation. When you have to deal with the financial issues like the resources available, the sums collected, budgetary allocations and you have to deal with the assets—

Madam Speaker: Gentleman in the third row, if you wish to stay in this Chamber, please behave yourself. If not, I would have to ask the police officer to put you out.

Mr. A.N.R. Robinson: They have to consider the assets which Tobago brings to the union. What are the ideas now being formulated concerning the gas resources in the Northern Plateau? We hear about the Southern Basin, but there are gas resources on the Northern Plateau. What is Tobago's position in all that? Tobago would want to know.

Are you again going to take all the gas and bring it to develop Trinidad and leave Tobago out of the development process? There is enough gas there for another LNG plant which can be sited in Tobago. I have a document on that which I shall reveal at the appropriate time. What are we going to do? Say no? There were proposals some time ago to pipe all of it to Point Lisas.

We have to take into account the Exclusive Economic Zone. It is Tobago that brings any kind of magnitude to the Exclusive Economic Zone for Trinidad and Tobago. Trinidad is bottled up between Tobago and Venezuela. It is Tobago that gives access to the Atlantic Ocean so we have to consider all of that. Tobago is not a rock that can just be dismissed. Tobago is people. Whatever state you talk about, it does not matter to me what you arrive at eventually, because one has to adapt to suit situations. One has to adapt mechanisms and constitutions to meet the needs of people. They put people first, but when it comes to Tobago what do

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

they put first? Tell me! That is hypocrisy. Sheer hypocrisy is most glaring when it comes to dealing with Tobago.

3.45 p.m.

I hope that the Prime Minister will begin to understand that his concept of the aspirations of the people of Tobago need not be the aspirations of the people of Tobago or anything realistic in relation to Tobago. They have to sit, on equal terms, and discuss and reason and arrive at mutually acceptable conditions and not have anything imposed on the community as was done in colonial times.

Unfortunately, the Prime Minister will have to talk to the constitutional representatives of Tobago, whomever he talks to. I do not mind. He can talk to Timbuktu if he likes. He has to talk to the Member for Tobago East and other representatives. It is the Member for Tobago East who first mooted this whole question of the relationship between Trinidad and Tobago, and the Member for Tobago East left the position of Chairman of the Tobago House of Assembly to make his services available to the whole country. What could be more patriotic than that? Even almost at the cost of his life.

The Prime Minister laughs. He thinks he can trick the people of Tobago. You know the Americans had “Tricky Dick” we have “Tricky; Patrick” [*Interruption*]. The only thing transparent about this Government is the tricks that you see coming from the Prime Minister’s ears—full of tricks. Well, the chickens are coming home to roost and the day of reckoning will come. He will have to talk and talk good turkey. He will have all the respect that is due, as I usually show him. Do you not agree, Madam Speaker? I will even behave like an elder statesman, so long as we deal with reality.

As my time is coming to an end let me make one reference to the public debt. I wanted to say something about the social safety net, but I am sure my colleague will say something about that.

Last night on television I saw the Prime Minister in San Fernando, with all his tricks. You know that advertisement is illegal. Do you know why it is illegal? It is a misappropriation of public funds. I will tell you why. It says nothing about the office of the person. It has nothing to do with the promotion of Government programmes or policies. It is promoting the image of a person called Patrick Manning. That is what that advertisement is doing. That is illegal. You can spend it on your house, because that is the Prime Minister’s residence, that you will leave in a matter of—how many years? Two or three years, when another Prime Minister comes in [*Interruption*]. But when you spend it on your face it does not

make you any better looking, and the country loses. So that is illegal; that is misappropriation of public funds.

Let me go on to this question of the public debt of which so much has been made. I turn to the *Review of the Economy*. Appendices 16 and 17. Appendix 16, External Borrowings; listen to these figures:

1989	\$199.4 million
1990	\$214.3 "
1991	\$ 92.1 "
1992	\$676.4 "

These are the characters that talk about borrowing. I repeat that figure, \$676.4 million in 1992, and 1993, \$1,226.6 million. Are these not your figures? What about the glad-faced Member for Diego Martin Central? *[Interruption]*

Mr. Valley: Madam Speaker, I am sitting quite peacefully listening to the presentation by the hon. Member for Tobago East. The fact situation is that when this Government came in, the external debt was US \$2.4 billion. At present it is US \$2 billion. That is a fact. We have repaid \$400 million.

Mr. A.N.R. Robinson: Did you not borrow \$1,226.6 million in 1993?

Mr. Valley: How much did we repay? How much did we borrow on the net basis. That is it, and you know it. You know you are misrepresenting the facts.

Mr. A.N.R. Robinson: Please, please, that is how a criminal behaves in the box. Do not behave like that. You see I am accustomed to cross-examining and I know how to do it. Did you not borrow \$1,226.6 million in 1993? Are these your figures? He will not answer the question. You are guilty! Take him away. *[Interruption]*

In addition to borrowing \$1,226.6 million, they also sold public assets for \$589.6 million. In a short period from borrowing and disposing of assets—they raised almost \$2 billion, and they are talking about the previous Government. They are talking about improvement in foreign reserves. Improvement in foreign reserves came through sales of assets and excessive borrowings on the foreign market. That is how the improvement of the foreign reserves came.

It was the NAR that paid back much more money than they borrowed. Your debt! You incurred that debt. That is what you would not tell the population. Used up the surpluses, used up the savings, incurred debts. So you see the shamelessness. That is why I have to conclude—when I said I was saddened by this budget, I have even been more saddened by the behaviour of the hon.

Appropriation Bill (Budget)
[MR. ROBINSON]

Thursday, December 02, 1993

Members here. I have not said anything and they will listen. But the day of reckoning will come and others have heard, and others will hear, and others will see; others will feel, and others will come more and more to understand.

3.55p.m.

I walk the streets very freely today, no problems. I could not do that in February, 1992, I can do it now. Many people meet me, they congratulate me and they express happiness to see me and they wish me well. I can walk anywhere in this country now quite freely and I can stand in this Parliament and speak. I speak on the basis of facts that have been produced even by the hon. Members opposite. Until we come to terms with the facts of our history, until we analyze fearlessly where we went wrong, we will never be able to chart a course for the future.

There are many more things I can say about the programmes that we had set in motion which they have destroyed; on the Caribbean community, on which they have turned their backs; on the international community. People ask me time and again, what has happened to Trinidad and Tobago in the international community; what is Trinidad and Tobago's role in the international community. On another occasion I hope I shall have the opportunity to speak on that.

Thank you, Madam Speaker, and hon. Members for the opportunity of bringing these facts, this analysis to this honourable House. I feel that the time I have spent in doing so has been worthwhile. *[Pause]*

Madam Speaker: I wish hon. Members would try to catch my eye so that I would know that they want to speak.

The Minister of Community Development, Culture and Women's Affairs (Sen. The Hon. Joan Yuille-Williams): Madam Speaker, I am grateful for the opportunity to participate in this budget debate. This evening, I would like to confine my remarks—*[Noise from public gallery]*

Madam Speaker: Will members of the public gallery please be quiet! If not I would have to empty the gallery before the hon. Minister makes her contribution. Will the police officers please ensure silence!

Sen. The Hon. J. Yuille-Williams: Madam Speaker, this evening I would like to confine my remarks, as far as possible, to one division of my ministry, that is, the Community Development Division. Before doing so, however, let me respond to a comment made by the Member for Chaguanas, when she said that this Government does not care about women. I shall give some information to this honourable House to show that this Government really cares about women.

On December 3 and 4, at the Rudranath Capildeo Resource Centre at Mc Bean Road, Couva, the Women' Affairs Division is hosting a women's fair and a seminar for rural women. The theme: Rural Women, Empowerment for National Development. The target group, women, including members of women's organizations, and other community organizations in Chaguanas, Couva, Carapichaima and environs, who have not had similar exposure in a formal setting.

The objective: To assist women in organizing and developing their skills and abilities to their full potential and to provide a forum where women can meet their counterparts and exchange ideas and opinions necessary for participation in the development of their communities. The expected outcome: Women will gain an insight into their abilities and potential as rural women in the communities to which they belong.

I hope that this information would change the perception of the Member for Chaguanas about Government's response to women.

Over the years, professionals involved in social sector planning in the Caribbean have often complained about what is perceived to be a lack of concern for people in most development models applied to the various countries in the region. They argue that, generally, development is seen purely in economic terms, with no clearly articulated priority concerns for the quality of life of the individual.

They insist that as a minimum requirement, any development programme should have built into it, as part of its core modalities, arrangements for the establishing of adequate mechanisms for accurately assessing the programme's impact on individual lifestyles and the overall well-being of communities. Indeed, over the years, they have consistently suggested that people must be a priority concern of development and, therefore, must be placed at the centre of all development initiatives.

Had such sentiments been expressed by only a handful of social sector professions, they might have gone largely unnoticed. However, within recent years those views have steadily gained currency, obtaining critical support from professions from other sectors of development, and more importantly, from regional and international organizations, such as Caricom and the Organization of American States. But perhaps, it was UNESCO, among other international agencies, that made the most direct comprehensive statement in support of the inclusion of social sector concerns in all major development initiatives.

In its preparation for the conferences on culture and development, UNESCO examined the whole question of development and found that there were grave

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

difficulties inherent in the kind of development strategies pursued since the Second World War. The document concludes:

“Despite the progress achieved, the results of the first two International Development Decades revealed the limitations of a development concept based primarily on quantitative and material growth.”

UNESCO, too, had joined the call for new perspectives on development; a call that persistently demanded that other dimensions of human existence be taken into consideration as a means of ensuring a wholeness in the overall process of growth that, in the final analysis, must remain completely people focussed.

Such is the direction in which the contemporary world, including Trinidad and Tobago is heading. Such, therefore, is the development perspective that has informed decisions taken by Government in respect of the 1994 Budget; a perspective that recognizes that initiatives geared towards the achievement of sustained material growth must be equally matched by interventions in the social sector, carefully calculated to educate, motivate and, in general, increase the capacities of the population at large to perform, while at the same time minimizing the possibilities for social disruption and discord.

A perspective such as this assumes an even greater importance today, given the specific socio-economic circumstances of contemporary Trinidad and Tobago, and indeed, the entire Caribbean.

Today, structural adjustment is a fact of life. Even as we speak, whole communities reel under the realities of difficult social circumstances, circumstances that impact negatively on each and every individual regardless of gender, social standing or cultural persuasion.

As a people, therefore, we are faced with the critical dilemma of, on the one hand, instituting stringent belt-tightening measures while on the other, ensuring that some measure of social relief is provided for our several communities that today find themselves at risk.

The Minister of Finance in presenting the 1994 Budget highlighted both our dilemma and our perspectives when he said:

“...over the last decade or so, economic policy in this country, as in many developing countries, has been preoccupied with stabilization and structural adjustment. This Government is determined to move beyond those preoccupations to the question of growth, improvement in the quality of life of the citizens of this country and the reduction of unemployment and poverty.”

Underscoring the fact that Government considers our human resources to be “our most precious asset”, the Minister went on to indicate that Government is of the view that “our society will not prosper without the participation of all its people” and outlined a broad range of measures geared towards alleviating major social problems that militate against such participation on the part of all our nation’s people even as we continue on our path to full economic growth.

4.05 p.m.

This House will recall that areas were identified by Government as “priorities for action and implementation in 1994”—and I quote again:

- (i) Institutional Reform and Encouragement of Enterprise
- (ii) Investments in Energy and Tourism
- (iii) Innovation and Efficiency in Government, and
- (iv) A Tight and Comprehensive Social Safety Net.”

Government, through its various departments, is poised to engage these priority areas of concern. Through the current Public Sector Reform Programme with emphasis on team building, client centred operation, responsible leadership, quality management practices, project management principles and techniques, and the use of appropriate technologies, each government agency has begun the process of so realigning itself as to be in a position to more effectively respond to the stepped-up demands of our time.

As a consequence, these agencies can now be viewed as ideal instruments for designing, planning and implementing programmes identified as part of the priority initiative. The Ministry of Community Development, Culture and Women’s Affairs is prepared to join the other agencies of government, in particular where the efforts relate to the proposed tourism thrust and comprehensive social safety net. This ministry is broad-based, people-focussed, and it delivers a wide range of community-based programmes through its several arms.

Our focus this evening is on community—the mobilization and strengthening of community groups as a means of empowering people at the individual or organizational level, thereby increasing their capacity to constructively address social and other problems in their respective communities. It is our belief that strong communities are the building blocks that make for a strong and vibrant country. A holistic approach is therefore taken to the implementation of community action plans. Such an approach focusses attention, not only on social,

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

economic and cultural issues, but also on the care, preservation and enhancement of the physical environment. In this regard may ministry draws on its full range of capabilities and expertise in a co-ordinated approach to community mobilization. Such an approach makes it possible for programmes to have impact and have positive effects on all aspects of community life.

During 1993, the ministry found time to engage in a series of training programmes so that it could be more proactive. We recognize the changing times, and the changing communities. We also recognize that our officers need to be specially trained to deal with today's problems, so during 1993 we engaged in human resource development programmes for our officers at all levels. We also engaged in community support programmes where our officers in village councils and other organizations were trained with a view to empowering these leaders.

In 1994 we will seek to consolidate the gains we made in 1993. We recognize that there are new challenges which will require a new set of responses and operational modalities on the part of Government.

Mr. Sudama: "Operational modalities"—what does that mean?

Sen. The Hon. J. Yuille-Williams: As the year comes to a close, we begin to see changing times. Structural adjustments begin to take hold and produce some positive gains on the economic front. We also begin to experience some seriously negative shocks in many communities. The hon. Minister of Finance, however, at the time of presenting the 1994 Budget, was very much aware of the possibilities of social dislocation. He referred, specifically, to initiatives "intended to enhance the growth of the national community" and the need to involve people at all levels. To quote again from the budget speech:

"This Government is painfully cognizant of unemployment, homelessness and inadequate health, nutritional and educational services among certain segments of the population; the despair and hopelessness that breed in desperate conditions, and which have resulted in wanton criminal activity."

It is a result of a clearly-felt need for Government to provide a direct response to such social problems and challenges that the social safety net was designed. This cluster of responses was intended to cushion the effect of, if not alleviate, many of the social ills that plague significant sections of our population.

The Ministry of Community Development, Culture and Women's Affairs is geared towards initiating action, along with the other governmental agencies and, in particular, close collaboration with non-governmental organizations within the

overall context of plans for the functioning of the social safety net. Government, through the ministry, will initiate programmes geared towards cushioning the effects of structural adjustment and community enhancement.

4.15 p.m.

At this time I would like to outline some of the programmes which my ministry will be responsible for during 1994, and at the same time relate what we did in 1993 which will facilitate early intervention of these programmes in 1994.

One of the programmes which we did in 1993 and which we consider to be important as regards the social safety net is the administering of the Community Action for Revival and Empowerment (CARE) Fund. This fund was designed—and I read from our PR:

“To assist communities in meeting social economic needs, thus providing a better quality of life in both material and non-material spheres; to empower people and communities to determine and actively participate in their own development; to revive the feeling and spirit of community that is so essential for national development.”

Some examples of the types of projects which we administered were: training skills development, employment and income generating projects, physical infrastructure projects, social infrastructural projects such as family life education and adolescent/young adults development projects.

We intend to continue this fund next year, but I need to tell you some of the areas which benefited and my choice of examples is just to give you a range of some of the things which were funded, and which will be funded again next year. These are some of the organizations which benefited:

Enterprise Community Service Corporation;

La Horquetta Multi-Service Corporation;

Chaguanas Library Committee;

Carlsen Field Green Committee (provision of a playground);

Sea Lots Community (provision of the necessary equipment for establishing food processing and preserves);

Clarke-Rochard Nursery School Project;

Tobago Arts Workshop.

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

In this case we are saying that there was a broad range. These are just some examples of the 65 projects which we used the CARE fund to achieve. I am now saying that this fund for 1994 will continue as part of the social safety net programme.

We also had the Community Education Programme. This programme, which we will continue in 1994, was done at two levels for two purposes.

1. Employment generation; and
2. Domestic enhancement.

The domestic enhancement programme was mainly for giving the participants basic family skills for use in their homes as they acquire food, clothing and shelter. As a result of the level of the employment generation programme, some of the trainees were able to become self-employed. We found at the end of the first programme, two of the best classes that we ever saw before—one at San Fernando and the other at Princes Town. The participants, together with the community development officers are now working out a model, so that they will go into a business which is being funded by the Community Development Department. Such was the standard of the production at both centres which did the same lines in garments.

Last year, too, the Self-Help Commission worked on certain aspects of road building, repairing bridges, electrification, construction of community and health centres, and this year the Self-Help Commission will also join in the social safety net with a new programme. The commission will engage itself with the Trinidad and Tobago Electricity Commission to launch a national street lighting programme.

The commission will also engage itself with the young trainees from some of our training programmes in the provision of funds for infrastructural developments, as well as for small tools. We feel that after training, many of our young trainees would like to go into some type of business but they are unable to source the necessary funds, and the Self-Help Commission has decided that some of the available funds this year would be allocated to that area.

The Self-Help Commission has also decided to address the social problems of some of our senior citizens by providing grants to assist with building materials to effect minor repairs to owner/occupied homes. We feel that this is significant. It is a new development, and later on, as I explained to the House, one would realize that with the Self-Help Commission assisting the senior citizens here, some of the

graduates from some of the new programmes that we have been conducting, will also do work on some of these homes.

The recommendation is that projects will be brought through the Community Development Division from any of the ministries or representatives, to the Self-Help Commission. It is a pilot project. It is the first time this will be done and the Self-Help Commission will investigate, and if there is need, efforts will be made to satisfy those needs. That is a second programme as part of the social safety net.

At times it has been difficult for some of our young people who are entering certain programmes, for example, Servol, Trinidad and Tobago Hospitality Institute, the National Youth Development Apprenticeship Centres, John Donaldson Technical Institute, San Fernando Technical Institute and St. Bede's Vocational School, to meet training related expenses. The Self-Help Commission is now in a position to provide some funding, on the basis of needs, to assist these young people as they try to undertake their training.

These are some of the new programmes in which the Self-Help Commission has been engaged this year. In addition, it will continue the programmes it had last year. Members of this House will remember the road repair caravan which has been extremely successful in helping to repair some of the minor roads in this country and, also, the kind of community involvement that took place during that time.

I remember sitting in on the first day of the debate and a Member on the other side noted that 22 per cent of the population was unable to feed itself—wherever he got his statistics. As part of the social safety net programme, we are looking at a supplementary nutrition programme. This is intended to be community based, organized and managed by non-governmental organizations in collaboration with Government agencies. Through the programme, it is intended that the participants will each get a hot, nutritious meal daily as the need arises.

Although this programme is new to Government intervention, as far as Trinidad and Tobago is concerned, it has been undertaken in the United States of America, Canada, Jamaica and Guyana under various names: Community Kitchen, Cooking Pot, Community Dining Room, etc. In Guyana, under the social impact amelioration programme, the IDB has given grant funds for such a programme.

We would wish to establish this programme in special communities in Trinidad and Tobago. Let me assure this House that Government does not intend to run the programme indefinitely, nor wish to encourage people to remain on the

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

programme indefinitely. In the initial stage Government will provide the seed fund for the programme and will also be responsible for giving technical assistance to non-governmental organizations identified to assist with this programme.

4.25 p.m.

The IDB has granted funds for similar programmes in other countries and they have signalled willingness to assist Trinidad and Tobago in setting up the programme, and also for funding it beyond the seed fund stage. The IDB has offered to send four persons on a fact-finding mission from Trinidad and Tobago early in the new year to visit other programmes so that we can hasten the implementation process.

One must recognize that cultural differences certainly influence the working of such programmes when implemented in different countries, and I wish to assure this House that the programme will be structured so as not to offend any cultural group. Government will also assist in refurbishing NGO facilities and also providing them with the necessary equipment and funds for executing the programmes. Our community centres which are now being upgraded will also be a part of this programme and it is expected that village councils, where necessary, would be involved in the programme. Of course, the success of this programme depends on the corporate efforts of all our groups. Church groups, service clubs etc.

It is hoped that the private sector would soon become involved in the project. But Government is committed to providing the seed fund for the start-up of the programme. Because of the nature of the exercise, it is envisaged that all foodstuffs would be locally grown which will give a boost to our agricultural thrust. This is a short-term measure designed to provide immediate relief to individuals who are in immediate need. I emphasize again: it is short term. The programme should come on stream in March 1994.

We are also going to embark on a community support for elderly people programme. We recognize that the elderly have been, to some extent, neglected by their families, in some quarters through no fault of their own. We intend to place special emphasis on this group of people. At the same time, we wish to link this support for the elderly with an approach to the young people. In fact, we need to bridge the gap between our youth and the elderly. Therefore, we have a new programme, the Gerontology/Adolescent Programme which works in two ways. Earlier this year the National Service Programme was handed to my ministry, but

the Ministry of Sport and Youth Affairs already had a programme planned for 1994 and, therefore, my ministry allowed the Ministry of Sport and Youth Affairs to continue its programme.

We have now embarked on a pilot programme for the national service which will consist of 500 young people being trained in gerontology. The programme will take place at three centres in Trinidad. In the north, at the St. Ann's Community Workshop, Central, at the Chaguanas Civic Centre and in south at the Corinth Teachers' Training College. So far, we have working with us retired professional health care-givers who have made the programme which is in four areas: health care, physical therapy, psycho-social and there is a fourth area—I cannot remember—that we need to improve.

Miss Bhaggan: May I ask a question? Some of the comments the Minister is making in terms of her programmes are very similar to the programmes that the Member for San Juan/Barataria made. Can she tell me whether there is any collaboration between the two ministries? If so, what kind of collaboration does she have to ensure efficiency and to avoid overlapping of the various functions?

Sen. The Hon. J. Yuille-Williams: I think the Member is referring to the gerontology programme in particular. If she would notice, the Member for San Juan/Barataria's programme deals with the establishment of day care centres for the elderly. If she would follow me a little, she would understand what we are doing in this particular programme—

Miss Bhaggan: I was referring also to the fact that she mentioned training social workers also and the question of caregivers. I would like to know whether there is any collaboration between both programmes.

Sen. The Hon. J. Yuille-Williams: I am not training social workers. I said that for the past week we had these workers, nurses, physical therapists, preparing the programme for this gerontology course, in which young people, ages 17 to 25 will be involved. We are using the retired nurses, occupational therapists, to train the young people who will be working on this particular programme. They have spent about two weeks preparing the modules for the programme.

4.30 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Sen. The Hon. J. Yuille-Williams: Madam Speaker, I would like to go back a bit and hope hon. Members would appreciate the reason, so they can understand clearly what I am saying. Members were accusing the Ministry of Consumer

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

Affairs and Social Services and the Ministry of Community Development, Culture and Women's Affairs of running identical programmes. But if they would just listen for a while, they would become more knowledgeable about the programmes and would be able to advise their constituents accordingly.

Let me go back to the first of these programmes in which I indicated that 500 young people would be involved. In going through the objectives of that programme, we saw that there are a number of young people who do not respect the elderly, some of whom have not been in contact with elderly people. We felt there was need to bridge the gap between them. We felt that in working with the elderly, the youths would be doing some sort of service. Therefore, we have designed a particular programme to train these young people between the ages of 17 and 25 years to work with the elderly.

At the end of the training period, these young people will be working with the elderly in their own homes. Many elderly people do not wish to go to the geriatric homes or even nursing homes, so these young people we are training will be visiting the homes of the elderly; there is dignity in being in your own home. Some of these people do not have other relatives, and are lonely. Therefore, at the end of the training, these young people will visit the homes of the elderly in the communities which we have identified, spend a couple hours doing chores for them; probably preparing a meal; doing some shopping; going to the post office, reading to them or just doing things which the elderly people would wish done. That is one aspect of the programme.

We also said that in our community centres there might be special recreational activities to which these young people can bring the elderly on those days to enjoy the facilities.

The first part of their training—which will be three weeks, beginning next week, at these three centres—will be theory in the classroom. At the end of the training, from January, they will be involved in the practical work as well as theory in the classroom, for the rest of the six months. I am quite sure that at the end of this period some of them may even decide that they would like to go further into geriatric care, maybe, even get absorbed in geriatric homes and some will stay with the programme and work with aged individuals within their communities.

We also recognize that at times the family of the elderly would like to go out, but some of them cannot afford the cost of professional caregivers; therefore, one would have a set of trained young people who would be willing to stay with the

elderly for a period. We are not building any homes; we are trying to bridge the gap between the aged and the young people by having these two programmes. Firstly, we are training the young people, and, secondly, we are using them to provide support for these elderly people. This is within their own community. This is even giving the aged people some kind of independence. I think this is a programme which we should support as I feel it would solve a problem and fill a gap.

The programme is called Gerontology/Adolescence Programme (GAP), because we think it is going to bridge the gap. It is the 500 people of the National Service who will be out from Monday morning at these three centres. During the period of training, the young people would be given a stipend of \$30 per day which would be for the period of six months. We are saying that while it is not designed to be a job, at least over that period that would be some kind of subsistence for them, and at the end of it they would be qualified to work with the aged.

I had said before that we had used retired people to assist with the training. Wherever I have talked about the programme, people felt that it was certainly filling a need, and would be of assistance to the elderly. I would recommend this programme, since at the end of it, in all the areas there will be a representative who can get the names of the people who have participated and who could be recommended to any one of the individual homes where the need may arise. That is taking us through to six months and will support the community and the elderly people.

At this time, we are also looking at another programme. It is not unknown to many of us that recently there has been an increase in crime, and we noted that a number of young people are involved in these criminal activities. One of the things that we noted is that there were some citizens who decided that they wanted to take charge of their environment. While the objectives might have been laudable, the same could not be said for the manner in which it was done.

Government recognizes that it has a responsibility for some gentle intervention at this time, especially, in the role of facilitator, but one must realize that finding solutions to problems in the society is not as simple as many Members would try to make us believe. However, Government recognizes that groups coming together can address the issue of crime through the enhancement of the environment. We are saying that citizens must be aware of their responsibility to assist in managing the environment.

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

For some time now my ministry has been meeting with members of the police service in order to forge a partnership with the police in our attempts to alleviate crime. We believe that community groups are one approach that could be used as these groups could be a means of enhancing the community. Since members of the community know the environment better than anyone else, they are in the best position to recognize would-be perpetrators of crime. If we are to be better served by the police, then active involvement is required.

Government does not wish to set up little police stations in every community. Neither does it wish to set up little community groups that would perceive themselves as little police stations. We know that the police are ultimately responsible; however, they cannot be everywhere at the same time. Therefore, we see these community groups, functioning properly, as being, of necessity, the eyes and ears of the community.

Let me emphasize that while both groups recognize their responsibility towards crime prevention, it is the function of the police to implement the law. In our discussions with the police we recognize that the leadership of the groups must not leave out the residents—some of whom are lukewarm to the idea.

5.20 p.m.

The first stage in this whole activity must begin with a period of public education so that we can get all the members of the community understanding what the programme is all about and being willing to participate in the programme. No one should be left out. The community partnership must begin with trust. At the moment we are in the process of preparing for this public education programme with the police.

I must compliment the police for their willingness to work with the division in setting up this programme. Our community development officers are in the field; they know the community; they are in touch with the groups and individuals who exist in the community. The officers will facilitate the programme by bringing the groups and individuals and the police together. The organization which we set up would be done in eight established districts. The content of the training programme will be done by the Public Affairs Division of the police service.

Our main objective in this first public education programme will be to convince the citizens of the need to unite so that they would be in a better position to enhance their environment and to see the benefits which can be gained from groupings of this sort. Funding for the programme will be provided by the Government. While the public education programme is being done, the officers

and members of the Community Development Division will be trained in an intervention programme run by the police department. The next phase of the programme will be arriving at a mechanism for the functioning of the group which will have to be done in the community.

We recognize that the setting up of the group must not be along political-division lines as those established by the Elections and Boundaries Commission. We are looking at the natural groupings of people and the area in which they live. We know that the partnership will be sensitive to these natural groupings. For example, there is one group that we have seen so far in our research, and I wish to compliment the people of Rio Claro who have set up a neighbourhood group. They now work with the police. I will give an example of what they did. They raised funds to develop their own communication system and they also raised funds to help the less fortunate in the environment. This is what is meant by enhancing the environment.

Our aim, as a division, is to facilitate the setting up of these groups throughout Trinidad and Tobago. Enhancing is not only about crime prevention; we recognize that people exert energy when they meet and we need to carefully harness their collective effort in order to improve and enhance the environment.

The community group, or neighbourhood group, as it is sometimes called, is enhancing the environment of which crime is a part. It is about enhancing the lives of people, especially the young people, by being pro-active in assisting in meeting the needs of the community. This is what empowering people means. Government is just the facilitator.

We are looking at a holistic approach to crime prevention. Again, we see our community centres being the heart of the activity. As soon as the programmes have been formulated, the community development officers in the particular division and the particular police officers in that division will begin the public enlightened programme bringing it to the community. We are working on a community basis and we are trying to formalize as many of these groups as possible throughout Trinidad and Tobago. There is another aspect to the whole programme.

Miss Nicholson: Madam Speaker, I would like to know if the Minister is willing to give clarity to her discourse, please. The programme with the adolescents that she is training to work with the senior citizens: One, is there a special funding for the programme and two, is the funding across the board, and what is the funding of the Tobago House of Assembly?

Sen. The Hon. J. Yuille-Williams: Let me finish my discourse on this programme, after which I will return. We are on the business of community or neighbourhood groups and we are looking at that aspect of crime about which we feel we need to have some intervention at this time.

We expect to be doing this programme in February, 1994. One of the things that we have noted from the report of the police, is that between 2 p.m. and 5 p.m. is the period that has brought about the greatest delinquency in the society of our young people. According to the police, it is the time when the peer group has enough time to do tremendous ills. We are looking at the community groups which we would have established as assisting in this area. This would be done through this mechanism. We know that there are homes in many areas in which there is no one to supervise when these young people arrive home.

The community group could now, as part of its outreach programme, provide a catchment area for these young people, be it at the community centres, which we will make available, or any other facility within the community. The catchment area, sometimes could become a learning centre. As was alluded to in another programme, the skills of some of the members of the community are used to assist these young people while they are there, whether it is in the academic field or in things pertaining to sport.

We feel that there are many young people without anything to do between the hours of 2.00 p.m. and 5.00 p.m., especially those who go to homes where parents are not there. The group will be encouraged and facilitated to address the situation as a business venture by looking after these children in an organized fashion.

We are to establish these community or neighbourhood groups throughout the community in order to enhance the community. I wish to compliment the police on their efforts in establishing police clubs. We have looked at the success they have achieved with these clubs of young people. In fact, we have also decided to assist them in continuing to form more of these clubs. As I said before, this community group will begin its programme in February and we hope to get the support of all our Members as we try to work through the communities. The people of the community must be convinced that they want the group. They must feel there is a need for such an establishment within the community.

The police have given us their fullest support. In fact, they are excited about the fact that we are going to formally establish this group. They appreciate the Government funding and they have been able to put members of their service in different areas to work in this partnership.

I would also like to look at another programme which should be considered a very important one and also has to do with community group enhancement, a community enhancement programme. This programme will start towards the end of this year. The reason why we have started some of these programmes on a pilot basis at the end of 1993, is to enable us to go into the full-scale programme in 1994.

The community enhancement programme is one which we are doing at three levels in conjunction with the Ministry of Works and Transport. At one level we are rehabilitating all our community centres, because as you would recognize in all our programmes, we need to have these centres rehabilitated. Some of them have been there for very many years. They have fallen into disrepair and if we want to do any programmes, we need to rehabilitate and refurbish them.

This is how we are tackling the rehabilitation of the centres: Firstly, the Ministry of Works and Transport will be providing the skilled craftsmen to work on the buildings. Secondly, the community will be putting at each centre 10 to 15 of the young people from the community—We are doing this because they are unskilled young people and we feel that at the end of this activity, some of them would have acquired a skill. We hope that all of them would acquire a skill. The young people would remain on the facility as long as the activity is going on.

5.30 p.m.

In our pilot project we have found that as soon as the facility has started, a number of older people come around looking for jobs wondering when the younger people would be replaced, so that they can get in. This has nothing to do with replacing people. If they want to develop their skills, they must stay at the centre until the entire activity is completed. Some will go for two months or three months. At the end of that time they would have learnt a skill.

We have the rehabilitation of the centre and the acquisition of skills by the young people. While they are working, there will be two theory programmes: one would be done by the Ministry of Works and Transport, relating to the acquisition of the construction skill, and the other done by the Ministry of Community Development, Culture and Women's Affairs in which we would look at the self development of the young person on the project. I should not use the word "project" because it gives the wrong connotation at this time.

It is not just renovating and rehabilitating community centres. We are taking the opportunity to do some skills development and self-development of the young people. The Ministry of Community Development, Culture and Women's Affairs

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

would provide the funding, and the Ministry of Works and Transport would provide the technical assistance and labour. I wish to thank the Ministry of Works and Transport and the Minister, in particular, for the support given to this programme.

We have some teething problems, but we would try to work them out. We have decided that next year, as we try to advance the programme, we would move together with the community groups, non-governmental organizations, service clubs and village councils to form a group which would be given the funding for the procurement of the materials. We would still be working with the Ministry of Works and Transport and the young people to provide the labour.

We are doing this because we feel that we can get this project through quicker if we can use that route. We are going into the area of village councils, service clubs and the business sector to form a committee and get the designs for the facility and also to fund it. We hope that by the middle of next year we would have touched nearly all our community centres.

I think that should be a welcome relief to a number of people this evening because the community centre is what we call the heart of the community. There are so many things that we want to do with the centres that we felt the need to work very quickly. This pilot project that we are on at the moment involves 15 centres. We had hoped to touch 35 centres in the pilot programme, but we are doing only 15 at the moment. We hope that by June, 1994 we would complete the exercise.

Refurbishing of these centres will continue. As you would notice, the EC has given us funding for 14 new community centres. That work has started; the designs are being made; the implementation schedule is there and it should take us about the entire year to build those 14 new community centres.

From the ministry we had been given in the earlier part of this year some of the industrial cottages and malls which had been constructed and which we felt had been underutilized. We had decided to begin work with the centres and other similar facilities that we find throughout Trinidad and Tobago. We are still looking for a facility in Tobago which we would use as an export production centre.

The objective we have of starting a programme, is not merely to utilize the existing facilities, but more importantly, to open up opportunities for the production and export of small producers. That programme would be a part of the overall strategy to develop an export capability based on the incorporation of local

skills and raw materials indigenous to Trinidad and Tobago and the wider community.

Our second objective is the development of export skills among small producers and craft persons through a system of training and apprenticeship. The Ministry of Community Development, Culture and Women's Affairs met with the Small Business Development Company Limited to set up the proposals for these centres. In order to initiate the programme, a limited liability company would be formed to manage the export and marketing functions.

The strategy behind the creation of these export productions and marketing companies is to develop a viable and commercially oriented institution capable of mobilizing the production capacity of small producers and building a new supply source of exportable products. The export production and marketing company would function as intermediary between the individual producer and the exporter by linking up with groups of exporters to sell the products on the foreign market. The company would also be responsible for managing the production centres and the execution of the apprenticeship system. Ownership of the company would eventually be divested to small producers and craft associations.

On this particular activity, when we talk about apprenticeship, we are not necessarily talking about those persons between the ages of 17 and 25. We are actually looking at older persons such as heads of households whom we would put into this business. We are starting with facilities for 10 centres. We are looking for a facility in Tobago because we have a group of craftsmen who had done excellent work. They have met with the Small Business Development Company—

Miss Nicholson: On a point of clarification. When the Minister speaks about Tobago, could she give us some clarity on what she is saying? Is she functioning with the Tobago House of Assembly which is responsible for the autonomy of Tobago? We have some problems with her.

Sen. The Hon. J. Yuille-Williams: I am not too clear on what is expected by the Member for Tobago West, whether she is saying that the Government of Trinidad and Tobago should not start a training programme in Tobago.

Miss Nicholson: The Minister cannot start a training programme on her own. She has to work with the Tobago House of Assembly. If she wants to start a training programme, she has to link with the Assembly, just for the whole business of good organization and good government. That is what I am saying. Otherwise there is a problem.

Appropriation Bill (Budget)
[HON. J. YUILLE-WILLIAMS]

Thursday, December 02, 1993

Sen. The Hon. J. Yuille-Williams: I understand.

Mr. Manning: What is the problem?

Miss Nicholson: She is not coming in here to politicize for you.

Mr. Sobion: Relax.

Sen. The Hon. J. Yuille-Williams: Unless the hon. Member wishes that we stop the programme. It is my understanding that she visited the programme and was pleased with the standard of work. All the participants are Tobagonians. There are no Trinidadians.

Miss Nicholson: On a point of order. I was appealed to for assistance. When I communicated with the Assembly, they said they were trying to get to the Minister and she was ignoring the Tobago House of Assembly. That is the problem. The Minister cannot do that. She is wrong. From 1980 that changed and she has to understand that.

Sen. The Hon. J. Yuille-Williams: Madam Speaker, may I continue?

Madam Speaker: Sure.

Sen. The Hon. J. Yuille-Williams: There is a programme in Tobago. As far as I am concerned the ministry has funded that training programme. The participants are all Tobagonians. I thought it was something that would have been graciously appreciated by all. We expected that that programme would have been included in the export programme, if we are permitted to do it. If the people say, no, well then—

As far as I am concerned the craftsmen we have trained have met with the Tobago arm of the Small Business Development Company that is working with the programme in order to try to set up that business venture. I really compliment the ministry and the master craftsman on a job which I understand is well done. Next week I am supposed to be visiting the programme as other members of the ministry did.

5.40 p.m.

The target date to launch the programme of development of these production centres is February 28, 1994 and during the next three months we will be engaged in the restoration of the physical facilities, the appointment of the interim team to manage the programme prior to the start-up of the Export production and Marketing Company's recruitment or assignment of masters.

Just today we had some of the master craftsmen who will be working with the Small Business Development Company. As you will realize some of them have the skills, but the project part of it has not been developed and today we are working with the master craftsmen. This is something that we are anxious to get going and we expect that by August 1, 1994 the pilot will be finished and the production will begin. Some of the craftsmen will continue on the project; others will go to their homes to work and then bring their products to the centre for export, together with what is produced there.

This should be welcomed. We recognize from the task force which we have that there is so much craft around and the problem was not only in the production, but also in the sale of the craft, especially with respect to exports. Trinidad needs to take its place on the market in terms of the export of craft. We have some of the best craftsmen around and I see no reason why we should not go ahead in developing the centre.

Finally, Madam Speaker, we would like to let the House know that the arrangements by the Community Development Division are usually done through community development officers. We have found that, in some cases, the officers have not been used by some members of the community, but they are in the field; therefore all these programmes presented this evening have been done so that Members would be made aware of the programmes of the ministry.

Some people have said that they have not had enough of the programmes in the social safety net. This evening I have attempted to present some of those programmes to you. If you care, they will be of benefit to some of your constituents.

Would the Member for Tobago West still like her initial question answered?

All the programmes will be funded by the Government of Trinidad and Tobago. I do not know the exact figure for each programme, but I know that the figures have been considered as part of the safety net programme.

Thank you, Madam Speaker.

Mr. Raymond Palackdharrysingh (*Caroni Central*): Madam Speaker, obviously today the PNM is on a mission to stop their consciences. That is all they are about because the Member for San Fernando East knows full well that this safety net is a ploy used by his predecessor, the late Dr. Eric Williams. Community centres down the line and nothing happening. In 1970 he recognized the trauma caused by the policy. In 1990 the NAR Government, because they were a little less sensitive, had some trauma again. What I want to suggest to him is,

Appropriation Bill (Budget)
[MR. PALACKDHARRYSINGH]

Thursday, December 02, 1993

giving the people the crumbs, would not solve the problem. The people of this country are not looking for crumbs. When people are hungry, he should not merely say, "Here, look a fish!" *[Interruption]* Same script, because he has the same pattern. He is no different from anybody that has gone.

Recently a Bill came to the House to give the Prime Minister the power to appoint some Minister in Community Development. He wants to control this programme absolutely because that is the only way he thinks he can keep the grass roots. Everybody sees through that. I will not attack the Minister of Consumer Affairs and Social Services for that. I will not attack the Member for San Juan/Barataria. The Prime Minister is responsible for that and that is the way he intends to deal with the people of Trinidad and Tobago—safety net.

Let me just respond off the cuff to some of the matters raised. I hope, Madam Speaker, that you are taking my time so that injury time will be allowed.

Madam Speaker: I would advise that you persist with your contribution.

Mr. R. Palackdharysingh: You know I always do that, Madam Speaker, even though it takes a bit of energy.

The community centre and village council movement is inherently a good one, but for too long that movement has been sidelined and used as a vehicle for politics. Do you know how long the debate by successive governments has been going on about integrating the village council movement into local governance so as to give them some standing and measure of worth? That has not been done because they want to manipulate it as they see fit. When they talk about community centres, I wish that the hon. Minister would say, with all the 14 community centres which will come into existence, how many have been earmarked for Caroni. *[Interruption]* Why should I not talk about it? It is important. *[Interruption]* That is the lesson he must learn because what terrifies me is that he will be involved in this programme.

Secondly, the attempt to work with the aged. It says that this country is in a situation in which the basic unit of the family has been destroyed. Now, because of the neglect of the past and the not caring, this is now upon us. Caring for the aged is not really a simple matter. It really demands much skill because these are people who have been conditioned to living in certain ways, who have had props in their lives, who because of advanced age begin to become a little more difficult.

5.50 p.m.

The important thing I think is that the training given to the young people will be of such a quality that they begin to understand the dynamics of what happens to the aged. It is not very easy, and it is a pity because in days gone by when we had many more extended families, the aged used to be taken care of. In every village and community, that was a facet of life, you know, the extended family. Be it East Indian or African, there was that extended family. But, with industrialization and no thought of what was happening to the aged, we are now caught up in the syndrome that other countries have experienced in the past.

Now I do not know why the Government is saying these things about the aged. I do not know how it is going to get this across to the population. It needs proper advertisement in every way. Government is trying to respond to the negative shock of structural adjustment. What it is really saying is that structural adjustment has dislocated life in the country to such an extent that now it is forced to do something about it.

Do you recognize how many suicides we have had in this country and why? *[Interruption]* You could stay there with your old antics; that does not make any difference, because you do not understand what has happened.

It is important to understand that the community's response in so many ways to the hardships in this country today, is because of the dislocation in social and family life, and the Government must not pay only lip service, but find the resources to really do something about it. There is a comprehensive report mentioned on many occasions—the Joan Bishop Report—that has dealt quite comprehensively with several of these matters.

You cannot deal with these matters in a holistic way unless you rationalize the ministry. You have the hon. Minister of Consumer Affairs and Social Services looking after some aspect, and I am sure that the Ministry of Sport and Youth Affairs is going to be looking after certain aspects. Where is the holistic approach to this?

Mr. Manning: Is the hon. Member suggesting that we should have a ministry that incorporates the responsibilities of social services and consumer affairs, community development, culture and women's affairs and sport and youth affairs? If not, what is the specific suggestion that is being made?

Mr. R. Palackdharrysingh: Madam Speaker, I have simply pointed out that to him, as a problem; the hon. Member is in Government and must find the holistic way to deal with it.

Mr. Manning: Just for the record, I would like the hon. Member to know that I disagree with the approach.

Mr. R. Palackdharrysingh: Madam Speaker, there is one caution I want to make in this honourable House. The Self-Help Commission has worked well. I think that many of my colleagues here, if not all, would agree that it is one of the organizations that have delivered to communities on a basis that is commendable. My only fear is that the PNM does not put its hand in this operation and try to get it in a direction in which it is going to lose credibility. I am making this plea because the Self-Help Commission has transcended what the politics could not transcend, and there is something in that for the Government to learn.

Let me go to page 2 of the budget speech:

“My Government is dedicated to inclusion. Therefore we urged you ‘Let us all go down the road together. But we in Government also have a responsibility to lead. The question is lead where?’”

“The answer is to become the Global City of the Caribbean.

As the concept of the world as a global village becomes a reality through associations such as the European Economic community, North American Free Trade Agreement (NAFTA) and the co-operation between the Pacific Rim countries, our small island economies must seek their places in the sun or be condemned to the periphery. What is Trinidad and Tobago’s place in the sun? What are the prerequisites to becoming the hub of the Caribbean?

The prerequisites are easy to identify. For any country seeking a role in the world of international commerce, regardless of how small, there must exist in that country:

(i) Excellent Infrastructure

- Road, sea and air transport
- Ample and reliable electricity
- Adequate good quality water and waste water treatment
- World class telecommunications
- Strong educational and health systems

(ii) A bureaucracy that is international in outlook, efficient and responsive.

(iii) A people living in harmony and welcoming to visitors.

- (iv) A workforce that is skilled, productive, flexible and willing to accept and embrace new technologies and practices.
- (v) An atmosphere of relative security and stability.
- (vi) A sensitivity to the protection of the environment.

Fortunately, we are already blessed with many of these requirements, and Government is addressing those deficiencies that continue to exist. But the realization of our vision will require all segments of the society to participate.”

Madam Speaker, do you really believe that all these objectives here would be accomplished? Do you believe that? The very nature of the politics, the very nature of the institutions, the very nature of how things are done, would never allow these goals to be realized, because those who have power will never relinquish one little bit.

You cannot call us out to hold hands and join in programmes when institutions that negate against the delivery of goods and services are set up, and also institutions are set up in which there is the perception that equality is not at all possible. The very reason for this social safety net is the admission that policies that the Government has attempted have failed.

That is why in the budget they were at pains to allocate \$211.3 million to old age pensions; \$130 million to URP; \$89.5 million to food subsidy; \$79 million to the School Feeding Programme.

\$54.3 million to Social Assistance; \$43 million to free medicine; \$24.5 million to grants to assist schools and colleges; \$22 million to Apprenticeship Schemes; \$11.5 million to orphanages; \$10 million to the Civilian Conservation Corps; \$5.5 million to Servol; and \$3.5 million for Feeding Programmes for the Needy.

6.00 p.m.

The best of intentions do not have any effect when the implementation of programmes such as these is not transparent. The classic case that we have in this country is URP. They could say what they want, we know what happens in the Unemployment Relief Programme. *[Interruption]* No, I have never denied that, but the point is that immediately we recognized that we were participating in something that we ought not to, we quickly stopped it.

This is what is happening here, but this budget is really trying to respond to a document called “*Building National Consensus on Social Policy for Trinidad and*

Tobago—Final report prepared by the Inter-American Development Bank, August, 1993.” This is what it says on page 14—

“The principal components of the Social Safety Net comprise the National Insurance System (NIS), the old Age Pension Scheme, and public Assistance Scheme (PA). The NIS is administered by a National Insurance Board (NIB) drawn from private sector, labour and top management staff. Under the scheme, employers pay 56 per cent of the insurable earnings of their employees, while employees contribute 2.8 per cent. There is a ceiling of TT \$230 per week on insurable earnings.

Actuarial review of the Scheme has identified some basic weaknesses. In recent years, the level of contributions has not covered the expense of the Scheme, thereby requiring the use of investment income to cover current expenses where in particular, where the noticeable increases in administrative costs were rising from eight per cent in 1980, to over 18 per cent in 1985, and to about 29 per cent in 1991. Although paid benefits rose from TT\$119 million in 1985 to TT\$181 million in 1991, the increase in beneficiaries, taken together with price inflation resulted in a decline in real benefits per capita. Thus, measured in constant 1982 values, total payments of benefits fell from TT \$84.8 million to TT\$78 million in 1991, while the number of beneficiaries increased from over 62,000 to 71,000.

The financial performance of the Scheme suggests that a drastic overhaul is required. In undertaking such an overhaul consideration might be given to the extent to which a form of unemployment insurance can be introduced, given the gravity of the unemployment problem in the country.

As far as the OAP and the PA Schemes are concerned, responsibility for their administration falls under the Ministry of Consumer Affairs and Social Security. In both cases it has also been a situation of declining real per capita benefit partly because of the increase in the number of beneficiaries. Thus, real per capita payments of the OAP declined by 11.5 per cent between 1985 and 1991, and by 40 per cent with respect to the PA.

Altogether, the Social Safety Net has become significantly smaller during this period of economic decline.

Account must, however, be taken of the large number of assistance schemes operated by other ministries and private voluntary groups, notwithstanding their small size, and the irregular benefits provided by some of them. While decentralization is desirable, it should be possible to organize it in such a way as to avoid overlapping and fragmentation, and to encourage a more holistic approach to social assistance.”

Did you get your answer, Member for San Fernando East? There it is, I am sure you studied the book.

That is the point I have made—and the Member is right—he has heard this from me so many times. Now he is hearing it from a document, relayed by me. That is something that must be addressed. But this society cannot continue to go that way without addressing the needs of the community. I am so amazed to hear the Minister of Finance indicating to this population that he has a surplus. Where he got the surplus is not important. The fact is when one looks throughout the *Draft Estimates of Revenue* one sees decrease after decrease coming down the line in terms of wages, salaries and COLA.

Do you know what that means? It means that more and more retrenchment is around. Almost in every ministry one will see the same pattern. One does not have to look very far. The Government has provided the information. At the same time we see on Wednesday July 28, 1993 in the *Trinidad Guardian* “TT’s poor up by 300 per cent.” This is an important concern. Whatever they are trying to do—whatever debts they are trying to pay to balance the books—has a tremendous cost to the human resource element in this country.

Does this not show that there are implications for a number of things? When there is so much poverty in Trinidad and Tobago and Government can come here and say that it is doing well—at whose expense? If one looks at the records, again, one will see it is back on the decline while the foreign debt is rising. If the Government continues to try to balance books all the time, we are going to reach a situation where there is going to be enormous chaos in this society. Already the per capita income over the past several years has declined from about US\$7,000-\$9,000 to about US\$3,000-and something.

Apart from everything else, the real income of the population has declined considerably, and what is being done about it? We are not seeing signs of anything to promote productivity. If something happens to that oil price tomorrow—if Saudi Arabia gets into the act and floods the market with oil and the price drops—the Minister says when the price of oil drops by \$1.00 we lose about \$100 million. One can see what may happen: there is going to be chaos in this country, because the human resource has never been tapped in a way to use it.

They have scoffed at my colleague the Member for St. Augustine, who made very valuable suggestions. They have laughed at him but I believe in the end he is going to have the last laugh on this matter.

Mr. Humphrey: They have me crying now, I can tell you that.

Mr. R. Palackdharrysingh: Now, apart from looking at the budget speech, I am contending that almost everything in this budget has been planned, not in the Twin Towers, but somewhere else. Because if one looks at some of the documents from the World Bank in terms of recommendations made to bring this economy back to what we call equilibrium, one will see them embodied in the *Medium-Term Policy Framework, 1994*—the policy agenda for fiscal year, 1994.

One also has to look at this document the *Public Sector Investment Programme* to see what has happened. When one looks at these programmes, one wants to know whom they are fooling. I look at page 30 of this document, Appendix I. In the productive sectors of this country the 1993 allocation was \$394.764 million and the revised expenditure was \$298.551 million, a reduction of \$96,213 million. Areas affected by that are Agriculture, Energy and Manufacturing. Under “Economic Infrastructure”, the allocation was \$171.832 million and the actual revised expenditure \$87.406 million, a reduction of \$84.426 million. Then under “Infrastructure”, \$327.470 million in 1993.

Mr. Manning: What page is that?

Mr. R. Palackdharrysingh: This is page 30. I do not think you have seen this document. The 1993 allocation was \$327.470 million. Revised expenditure, \$230.317, a reduction of \$97.153 million and the areas affected were Education, Health, Housing and Settlement, Social and Community Services, Human Resource Development, Training and Support for Employment, Urban and Regional Development. Again, in Public Administration, a reduction from \$37.605 million to \$20.022 million; and Planning/Project/Programme Development, \$24.7 million to \$16 million. So you see what is happening.

When one evaluates all that has been happening, one sees that there is no growth—only cutbacks and more cutbacks. If one looks now at page 52, one will see, again, allocations—and I am certain the same pattern is going to emerge. So one has to be worried about this Public Sector Investment Programme. What are the mechanisms put in place for these matters: to monitor the effectiveness of projects like the loans for the refinery upgrade, YTEPP, and the University? What mechanisms monitor these projects to say whether the work is properly done and evaluated?

One has to be concerned about these matters and it is obvious what has been happening. Again, if you go to the document *Draft Estimates on Recurrent Expenditure*, and look at the Ministry of Education—

Mr. Ramrekersingh: Page 137.

Mr. R. Palackdharrysingh: On page 137 of this document one will see that there are some decreases and one has to wonder why these are so huge. On page 138, Salaries and COLA, Ministry of Education, subhead 003/01, there is a decrease of \$298,279—a number of decreases. For example, Secondary Education on page 139—there is going to be a decrease of \$43,367,977.

In this recurrent expenditure already there are serious cutbacks to many of the existing programmes. Tell us what it means. We have an expanding school population and we want to find out what is going on. We cannot escape this. If one looks at the Development Programme, again, one would find many cutbacks. If one looks at the Ministry of Education with respect to this document, *Development Programme*, on page 53, one is going to see certain things that we have to ask questions about. There must be some explanation.

I have raised in this House over and over the poor state of school places in Central and Tobago with respect to primary and secondary education and in the document one does not see anything happening for Caroni and Tobago, and I wonder why?

Mr. Ramrekersingh: Look at the PSIP.

Mr. R. Palackdharrysingh: Okay, but I am not seeing it reflected in the *Development Programme* here.

Dr. Rowley: You are looking in the wrong place.

Mr. Bereaux: Public Sector Investment Programme, a white book, let me lend you one. I do not want you to make any mistake, you are representing my constituency. [*Interruption*]

Mr. R. Palackdharrysingh: There are certain measures that need some explanation in terms of development and I wish that the Minister would explain whether or not there is going to be another teachers' college—if they are going to re-open the Corinth Teachers' College as a training college.

Mr. Ramrekersingh: Yes.

Mr. R. Palackdharrysingh: While we might welcome that, I hope that he is going to make a firm commitment on that college in South.

The problem confronting Trinidad and Tobago in terms of our changing economic situation is that the education system today is not properly geared to meet the needs of the society. When we look again at the education system we are not at all happy with what we see in terms of the school buildings. As reported by

Appropriation Bill (Budget)
[MR. PALACKDHARRYSINGH]

Thursday, December 02, 1993

TTUTA, 84 of them need to be repaired, some need to be refurbished and I do not think that there are funds enough to meet all of those situations.

6.20 p.m.

The other point, is the high failure rate in the secondary schools, particularly in some of the comprehensive schools. While I am not of the view that anything is wrong with these schools, there must be some investigation, there must be a careful look at what is happening. There was an article recently in the press that suggested that some of the schools were not performing, even to the extent that one could feel satisfied. The heavy expenditure on these schools is not producing the results expected. Is it that the problems being experienced in the schools are not handled properly? When one looks at the results one begins to understand that children in these schools are not benefiting from that type of education because they have not been prepared for the type of examinations they are required to write.

Is it that the entire school system needs to be overhauled? Today university graduates are holding degrees but walking the streets without being able to find a job. Yet, the Prime Minister goes around talking about literacy; the Minister of Education would say that there is a literacy problem. How are we rectifying all these problems?

I have numerous clippings here on the education system, but I do not want to go into that today. The problem is that the education system is no longer responding to the needs of the society. I am wondering whether or not there should be a different emphasis in the education system, in that the system must be able to initiate the training of our young people, probably five to ten years ahead, looking at what is happening in the world. It seems that we are training people today to come out and be useless, and that should not be the case.

The Minister of Works and Transport was at pains to say that we could not find a civil engineer, because no one has graduated in civil engineering at the University of West Indies recently. Yet the Permanent Secretary in the Ministry of Education could say that if people are trained as technicians they could get jobs, but if they are trained with a university degree they would not get jobs. It simply means that they have to be trained for the middle management type of job, and the university graduates are not being used in the community simply because the economic climate is not responding to the type of training that they have. Yet there is complaint that we are not training enough of our people at the University. Is something not wrong with that? Something is definitely wrong, and that must be rectified.

It seems that many of the courses offered at the University—

Mr. Sudama: ...are not matching the output with the needs.

Mr. R. Palackdharrysingh: That is the problem, the manpower planning necessary to determine what we need is not taking place. That is a serious problem, because the Government is spending a great deal of money on tertiary education, but not in the right way. What is happening? I do not know if the Government is not making its contribution to the University. I understand that it is owing them \$220 million [*Interruption*] Not so much?

At one time it was said that the University of the West Indies was of a particularly high standard, but within recent years many of the lecturers are leaving. They are leaving because they are not given the proper incentives, and the Government does not seem to be concerned about that. I see the Minister of Education is here—and he has left out university education. I cannot understand that irregularity. Why was university education not linked with the entire education system? Is it because the Minister is not competent to deal with university education and some back-door person is more competent and would get it?

If the Government is going to rationalize education, the Minister of Education should be able to respond to these questions. If they have chopped off his head at the university level. Are they saying that he is not good enough to deal with problems there? I do not know.

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

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

Question put and agreed to.

Mr. R. Palackdharrysingh: Madam Speaker, let me thank hon. Members for extending my time so graciously this evening, because I believe they are listening. At last they have begun to listen.

Going back to the primary school system for a minute. There is a situation in the primary school system that has to be addressed. I do not think at the primary school level that enough attention is focused on how the schools are run with respect to personnel. I am saying this because there is a reading problem at the primary school level, yet students are just promoted from class to class without the situation being rectified in order to prepare them for the Common Entrance Examination.

Appropriation Bill (Budget)
[MR. PALACKDHARRYSINGH]

Thursday, December 02, 1993

6.30 p.m.

The other thing is this. I am extremely unhappy with the way teachers are promoted at the primary school level. This is done on the basis of seniority and, because of that, many teachers do not find it necessary to do refresher courses after five year or so to refresh their minds in terms of what teaching methods demand. That is important.

I do not find there are incentives given to people who have upgraded their skills. This must be looked at because when people do so and have to return to work under a principal whose only claim to promotion is seniority, that younger teacher who has all the drive, competence and qualifications is frustrated, and the children are also deprived.

I know for a fact that several teachers in the primary school system have done what is called “special education” to deal with the slow learners, to deal with those who are impaired one way or another, and because their principals do not understand what they are about, these teachers are put back into the same old situation to function with the children not having the benefit of their training. How long can a situation like this exist?

I also wonder why we have not taken the leap by bringing university and professionally trained personnel into the primary school system. For example, a teacher at the primary level exercises a role and function equally important to the teacher at the secondary level. That is an important consideration, because if it is done right at the primary level, many of the difficulties would not occur at the higher levels.

I want the Government to look at this because education would suffer if we do not make these changes. Already, there are teachers labouring under, in many instances, archaic conditions. The Government has not been able to respond to their needs and their plight, but because of their devotion to duty and their calling, they are there. If that is the one thing that can be done for teachers, giving those who are competent and qualified the opportunity to move up to where they belong and take them away from principals who frustrate their efforts, it should be done.

Secondly, with respect to the senior secondary schools, I have read recently where certain schools have now been blessed with heads of departments, deans and counsellors. I am asking why this has not been made uniform. Why is there the need to do it in some areas—there must be some reason—and not throughout the whole school system?

Mr. Ramrekershing: That is a pilot programme.

Mr. R. Palackdharrysingh: But that pilot programme has been going on for a long time. That must be addressed if the school has to be one of the institutions where our youths have an opportunity to redeem themselves, particularly when they come from communities where life is not as rosy as it ought to be, where the peer groups exert tremendous pressure on deviants, I think the school system ought to try to bring a measure of reorientation into the lives of these students.

If the school is able—and I am not saying that the school should do everything—to detect some of the deficiencies that exist in the development of our young students, I believe that the crime rate would be stemmed. I think some report recently suggested that among those who commit crime, in relation to their level of literacy there is a correlation. The more illiterate one is, the more likely it is for him or her to commit crime. Therefore, it would be easy to influence or manipulate them into crime. That is a situation that must be addressed.

Urban poverty is a very distressing experience. Indeed, rural poverty also. If that experience is not tempered by an institution like the school where we are supposed to orient our people into the society, then we would be spending much more money on lawyers' fees, on the jails, on programmes of rehabilitation. Why not try to take as much advantage as possible of what is called the prevention aspect? Prevention is better than cure. That is a submission I have to make because I feel it is important.

The education system is the system through which all our young people should pass. That must be made humane, relevant and also, it must be disciplined. The level of discipline in our schools today has dropped, and wherever indiscipline reigns, there will be problems.

The school is no place for indiscipline. I believe the schools are the institutions which ought to provide us with skills for life, and if we do not accept that, then legislation will be brought here to teach people in jail and to have several other services. I care about that schooling, which is important.

We have a University that ought to take us to a level of tertiary education, but I believe that we are not paying enough attention to that institution. Students have complained time and again about facilities, classrooms and lecture rooms being overcrowded; library services not being adequate. Security at the University compound at St. Augustine has been horrible over the years. It has caused many problems for students and trauma for families. Therefore, I do not believe that we should be slow in giving to the University whatever it is owed. They put it nicely for us—they have a cash flow problem—but the fact is, that means they did not get any money.

Appropriation Bill (Budget)
[MR. PALACKDHARRYSINGH]

Thursday, December 02, 1993

The other point is that when one looks comparatively to see what is happening probably in Barbados and Jamaica, students in these areas seem to have access to facilities much more easily than students at the St. Augustine campus.

The Prime Minister, while in Opposition, advocated protest by University students when the cess was introduced.

Mr. Manning: Just for the record, Madam Speaker, that is just not correct.

6.40 p.m.

Mr. R. Palackdharrysingh: It was he who advocated protest action when the cess was introduced, but the cess has been implemented. Now tuition fees are going up in this triennium and they are going up by a further \$2,000, so university education is now becoming more and more selective and elitist. I am making this point because I want to be charitable this evening to Members of Parliament. I have here a whole listing of the problems of the students. This is a preliminary document written by A. Anderson Morris who is the President of the students' guild.

I have a clipping here which says: "TT Spends Heavily on Human Capital—the Prime Minister." I cannot understand what he is talking about; certainly not with respect to the University. There is a situation which troubles students at the University. I am not saying this is absolutely correct, but it is recorded in the *Sunday Express* which says:

"Julien's Travels Worry Students.

Lecturers, too, query Julien's trips for Government during UWI term."

It would seem that the Government has no qualms of conscience in taking somebody who is committed to the University and sending him on trips. Is that its styling?

When I speak about graduates walking the streets, here it is again, but I would not read the details; they know.

There is also a situation with respect to post-graduate students facing extinction at the University. The argument is that it is the post-graduates, through their work at our University, who do the research work, because provision for that is so limited. What the post-graduate students seem to be contending is, why this fee should be imposed on them; because they already have commitments from their under-graduate studies to repay. So now that they want to do some post-graduate work and do research, this fee is really acting as a deterrent to their continued studies because they cannot meet their financial commitments.

Are we really concerned about higher education in this country? Why is it that the Government cannot provide for post-graduate students by allowing them very reasonable fees? Because it is the only form of research which is taking place at the University. Why do they want to stultify that? It would seem that they have no concern, especially the Prime Minister who went through the system, got what he had to get and now he cares about nobody.

This is the situation at the University. It is now in a state of not knowing how it is going to pay its bills from month to month, and we must be worried about this. I must also say that the whole education system needs revamping. We need a system where our students from primary school, secondary school and through the University are going to move from stage to stage in a way that is not traditional, but which will now respond to the demands of the new age. I cannot understand how we will begin to do it because the budget, on the whole, has decreased and education seems to be suffering—

Mr. Manning: How could you say that?

Mr. R. Palackdharrysingh: How do you mean, how I could say that? Up to now teachers have not been paid their backpay. What do you want them to do?

Education is a very important aspect today, because if it cannot respond to the economic needs of the country, if it cannot prepare us to live in this multi-racial and multi-cultural society, and if it cannot impart values to our students, then this education system has failed.

I believe that basically the education system we have today is the remnant of colonial times and colonial minds. Our education system must now take the initiative in looking at the future and producing the calibre of students that will be responsive to the demands of the society in terms of what the society needs for filling jobs. We cannot have a situation where we do not have enough people at university level, and those whom we have, when they graduate, they cannot find jobs. Even if we need an engineer to clean a drain, we cannot even get a civil engineer. I wonder what the lecturers in civil engineering are doing? I cannot say.

I want to also indicate, in this whole scenario of education, that the Minister must respond to the infrastructural needs of the system. Too many of our schools are dilapidated. I have heard teachers complaining that classes are becoming much too large once again. I believe there was a system where the teacher/pupil ratio was 1:25, or 1:30. We must begin to take cognizance of that. Principals are now complaining that when they used to get between \$12,000 and \$15,000 to buy items like chalk, and so forth, they are now getting only between \$2,000 and \$3,000. That is a serious problem in the school system today.

Appropriation Bill (Budget)
[MR. PALACKDHARRYSINGH]

Thursday, December 02, 1993

Madam Speaker, as I have said, infrastructure of the school system needs to be upgraded, promotion has to be looked at, the University has to be upgraded, the courses at the University have to be relevant to the needs of the society. When students graduate they must find a society waiting to absorb their skills. The post-graduate students must be given a break to do their research, even if no funding is made available through additional help to the University. Also, the Prime Minister must get up and continue to express his support for the students of UWI so as to create a better education system.

Thank you very much, Madam Speaker.

6.50 p.m.

Mr. Hedwige Bereaux (*La Brea*): Madam Speaker, in joining this debate, I wish, first of all, to compliment the hon. Minister of Finance, the Member for St. Ann's East on an erudite, lucid and incisive budget presentation. Those of us who have participated in Budget preparation and approval for large commercial entities in which the sole motive is profit, understand the complexities of the exercise and the difficulties encountered in trying to accommodate the competing interests of departments and divisions.

So, we are able to appreciate the Herculean task involved when the exercise is further complicated by a depleted exchequer and the need to cater for the poor, the disadvantaged, the unemployed, the deranged, the ill, the young, underperforming utilities and the huge public debt, while at the same time, having to ensure that there is sufficient resilience left in the community to encourage the enterprising, attract investment and provide an environment conducive to sustained growth for a population which is bordering on 1.5 million.

The theme of this year's budget presentation is "Our Shared Vision: An Invitation To Participate." From the contributions which I have heard from the Opposition Benches—not so much from the Member for Caroni Central, Mr. Palackdharrysingh, but from some of the others—it is clear that they neither share the vision nor are they willing to participate in the progressive course charted in the Budget or in the Government's *Medium-Term Policy Framework*. A pity, but an attitude that is neither new nor novel.

Indeed, if one chose to document the history of their recalcitrance, it could fill volumes. They have paid the political price for it time and again. We are certain that the population, having observed and evaluated the programmes of this Government, will, as exhorted by our Prime Minister, go down the road with us and get the job done, the emphasis being on getting the job done.

I listened with polite attention to the contribution of the perennial, now interim Leader of the Opposition. However, I must apologize to this honourable House for allowing myself to be provoked into peals of derisive laughter when he referred to himself and his colleagues as the alternative government. His speech took over two and a half hours. It spoke volumes for his endurance, but sadly, not much for his intellect.

The relevant content of his speech would have taken no more than 20 minutes, if uttered by him under less strained circumstances. That was a campaign speech. He did his best to make it appear as though he was aiming his pellet gun, or more correctly, his sling-shot at the PNM. In fact, he was seeking to rally support for himself in order to stave off the cannon, the new heavy roller within his own party [*Interruption*] the Member for Chaguanas. I was in Chaguanas this weekend and I heard the comments made by all and sundry.

Moreover, I saw the Monday scenes on the television when the Member for Chaguanas came out of court, and I heard what she said when she was interviewed. I also understand the significance of yellow and orange flags in certain cultures, and I want to tell the Member for Couva North that the Member for Chaguanas has said that he is her guru. I have no reason to believe that she is speaking anything but the truth.

However, the clear indication is that soon he will either have to do like all gurus and find some cave, mountain or secluded spot from which to meditate or be pushed aside the way the young sucker pushes aside the old sucrier fig tree after it has borne fruit.

Notwithstanding all of that, I register for the record my strongest disapproval of the manner in which the Member for Couva North referred to PNM supporters in Laventille and the East/West corridor as “beasts of burden.” At the time when it was uttered in this honourable House, I did not take it seriously, having become accustomed to the rantings and ravings of the Member. I have become impervious to some of the statements that he makes. But, when I got home and even this morning, I had several calls from persons who have been complaining about the insults he has heaped on the members of the PNM in that area.

They have asked me to ask that he withdraw them. I am not doing that. Statements like that can only cause uproar and destabilization in this country and I understand the pressure that he is under. I ask him to be more temperate in his language in this honourable House.

Appropriation Bill (Budget)
[MR. H. BÉREAU]

Thursday, December 02, 1993

7.00 p.m.

I move on now to some of the specific provisions to which the Minister of Finance referred in his budget speech. If we are to appreciate, understand and adjudicate upon the measures in the budget, they must be viewed against the background of the *Review of the Economy 1993*, and in the context of the Government's *Medium-Term Policy Framework 1994 to 1996*.

I shall begin with the question of unemployment. I quote from the *Review of the Economy 1993*. Page 18 states:

“The decline in the labour force was particularly observed...The shift in the labour force led to an increase in agriculture, construction, wholesale/retail, trade, restaurant and hotels and transport, storage and communication. Notwithstanding, the largest proportion of the labour force continues to be in community, social and personal services (28.7 per cent), construction (16 per cent), wholesale retail trade, restaurant and hotels (17 per cent)...

The highest unemployment rate continues to be in the construction sector (44.7) per cent...”

Against that, we look in the *Medium-Term Policy Framework* where we see the question of employment creation. Page 40 states:

“Government recognizes that a permanent increase in employment must originate through increased economic activity in the private sector, especially the non-petroleum export oriented sectors of the economy. In this context, fiscal and monetary policy over the programmed period will be skewed towards the growth process.”

Let us now look at the actual provisions in the budget which would have dealt with these.

Firstly, we have the corporate incremental profits tax. Corporations will, from the year of income 1994, be able to enjoy a lower corporation tax rate on any additional profits they make over and above the profit made in the base year, the base year being the period between November 1, 1992 and October 31, 1993. In respect of additional corporation tax, the rate would be 30 per cent of the incremental tax.

What that does is that a new company coming into being and paying tax for the first year, it would be doing so at the rate of 30 per cent. If a company increases its profit in the ensuing year it would pay tax at the rate of 30 per cent. It

gives an incentive to business to increase volume in order to increase profit. When that happened one is likely to see an increase in employment.

Additionally, there is also the incentive to the small business sector. The Minister of Finance indicated that the definition of “approved small companies” would be amended; 50 per cent of the interest earned by financial institutions on transactions to approved small companies will be exempt from corporation tax.

It is recognized that the largest employer of persons in the economy is the small business area, but the cry of all small business has always been the inability to access or insufficient capital. This is an incentive whereby interest earned in respect of loans to approved small business institutions would be reduced by 50 per cent.

We have a tight liquidity situation and that has brought on a higher rate of interest. As a result, many small businesses find that the profit they have to make is so high, and sometimes too high for them to be able to afford to borrow. Where there is a 50 per cent reduction in the tax on interest earned, a possible reduction in the interest rate can be expected.

Additionally, financial institutions shall receive a tax deduction of 10 per cent on the net increase in loans made to approved small companies for the year of income. The *Medium-Term Policy Framework* has identified export led growth. There is a provision in the manufacturing sector, promotional expenses.

“The Corporation Tax Act makes provision for a deduction of 150 per cent of promotional expenses incurred in promoting the expansion of existing foreign markets for the export of goods produced in Trinidad and Tobago, and shipped in commercial quantities.

In order to encourage manufacturers to expand exports, a further provision would be introduced to allow a deduction of 150 per cent of promotional expenses which the Board of Inland Revenue is satisfied have been incurred for the creation of new markets for the export of goods produced in Trinidad and Tobago.

It is also proposed that the benefit be extended to sole traders.”

A number of entrepreneurs, for one reason or another, do exporting, but they are not corporations. This measure brings them into that protection and gives them the opportunity to mark up. If they spend \$5,000 on promotional expenses, for tax purposes they can use, not \$5,000, but \$7,500. There is 150 per cent mark-up on what is done.

Appropriation Bill (Budget)
[MR. H. BÉREAU]

Thursday, December 02, 1993

More importantly, agriculture is included in it. I particularly want to target floriculture and I would explain why later. In the *Review of the Economy, 1993* page 13 states:

“The Floriculture industry continued to register increased growth in the period under review. The total value of flowers exported for the period January to June 1993 amounted to \$2.6 million, 55.9 per cent higher than the value of exports recorded in the corresponding period in 1992.”

I targeted floriculture because it is more likely to find sole traders involved in it and seeking to go abroad to look for markets, than corporations. Floriculture is that kind of business that evolves sometimes from a hobby. I am sorry the hon. Minister of Finance is not here because he is an expert in that area.

In addition, in the ethnic markets abroad where there is a market for condiments, a number of private persons are doing that kind of business and one seeks to encourage others to get into it. Leader of the Opposition, notwithstanding my ‘fatigue’ on sucrier figs I recognize that, because I have heard people say that that is considered an exotic fruit abroad, for whatever reason.

7.10 p.m.

I want to go to the provisions in the budget for the construction industry. You will recall that I said before, that the largest percentage of unemployed persons in the country was in respect of the construction industry—44.6 per cent. The construction industry is usually seen as an indicator of economic activity, and construction itself is one of those industries which are able to employ quickly, on a short term, a large number of persons. The beauty about that industry for economic growth is that the money that comes into the industry quickly dissipates into the economy, because on a construction site a large percentage of the material used is local. Then we have all the construction skills available and, as the Member for St. Augustine is wont to tell us, we have substantial construction equipment lying idle in this country.

As a result of that, in the 1993 Budget a provision was introduced to stimulate the level of activity in the construction industry. These measures exempted from personal and corporation taxes up to the year 2000 the following: all rental income accruing from residential, industrial and commercial properties the construction of which was commenced after January 1, 1993, once the value of the construction was in excess of \$250,000, but the building had to be completed by December 31, 1994. All capital gains and profits derived from the initial sale of such property were also exempted.

Building construction being what it is, some of the buildings of the size envisaged usually have a pretty long gestation period. Plans have to be drawn and passed. Sometimes one has to obtain Town and Country Planning approval and other things. Then one has to source funds in a market with tight liquidity and short mortgage money. It was seen that the gains envisaged as a result of those provisions would not be achieved within the period January 1, 1993 to December 31, 1994. Accordingly, the Minister sought to provide an additional incentive to the construction industry to extend the deadline to December 31, 1995.

That shows, like a careful craftsman, the dovetailing of the *Medium-Term Policy Framework* with the measures in the budget. So that there is something like a trilogy, between the *Review of the Economy*, the *Medium-Term Policy Framework* and the Budget.

Additionally, there was the provision in the 1993 Budget whereby first-time homeowners would be able to access their pension plans, once they have been a member of the plan for five years, in order to make downpayments against the purchase of a home. It took some time to put the legislation in place and there was some difficulty in persons accessing mortgages because of the tight liquidity. The company which normally supplies a substantial proportion of the mortgage money to low and middle income homeowners, Trinidad and Tobago Mortgage Finance Company, is an approved mortgage institution. I would just like to quote the provisions which were meant to assist. The following measures were proposed in the budget for approved mortgage companies:

“To introduce a tax credit equivalent to 50 per cent of interest payable on bonds issued to individuals and corporations by the Trinidad and Tobago Mortgage Finance Company where proceeds are designated for lending in the approved mortgage market.”

I think I had better put this all in perspective. The Trinidad and Tobago Mortgage Finance Company is a private company owned 51 per cent by the state and 49 per cent by the National Insurance Board. It is an approved mortgage institution within the meaning of the Seventh Schedule of the Finance Act No. 29 of 1966, Section 55 and Part II of the Housing Act, Chap. 33:01. These provisions exempt profits earned by the company from taxation once those profits have been earned in granting mortgages under the approved mortgage company status. Because the interest rates in respect of those mortgages are limited—if you borrow \$150,000, you pay 8 per cent interest; if you borrow up to \$200,000, you pay 8.5 per cent and anything up to \$250,000, you pay 9 per cent. You cannot

Appropriation Bill (Budget)
[MR. H. BÉREAUX]

Thursday, December 02, 1993

borrow money on a house, the market price of which is in excess of \$250,000
[Interruption] I know the law, you know.

There is the question both in respect of the amount of money that you can borrow and the value of the house.

Miss Nicholson: Madam Speaker, just for clarification, can the Member say whether he is talking about the programme of the approved mortgage company or about Trinidad and Tobago Mortgage Finance Company? I am not too clear on what he is saying.

7.20 p.m.

Mr. H. Béréaux: What I am saying is that an approved mortgage company under the provisions of Schedule VII of the Finance Act No.29 of 1966, section 55, and Part II of the Housing Act, Chap. 33:01, cannot lend money in excess of a certain amount. The Trinidad and Tobago Mortgage Finance Company is not the only approved mortgage company. However, the banks and financial institutions which lend under the approved mortgage company status, also have the ability to lend outside of that, so they lend at the higher rate of interest and larger sums of money and they are able to bring the two streams of income together. Therefore they can access money in an easier fashion.

The situation with respect to the Trinidad and Tobago Mortgage Finance Company is that it is not able to go outside, because its funds came previously from debentures from the state and debentures from the National Insurance Board, and these debentures were 6 per cent and in most cases now are 7 per cent. It means that the company has only a two per cent spread. Notwithstanding that, the company has been profitable. I want to read some excerpts from the chairman's annual report for the year 1992—Mr. Steve Bedasie:

“The company's fixed lending rate was a constraint on its ability to raise capital in the market. This so restricted our operations to the extent that there was a stop-gap operation in disbursement of loans in 1992.”

There is another point on capital restructuring:

“The organization initiated a Capital Restructuring plan in 1992. The objective is to put terms and conditions to loans and outstanding amounts owed to the Government of Trinidad and Tobago. This exercise is a prerequisite to the company accessing the company markets for loan funds, thus obviating the need for dependence on the Treasury for new capital.”

And the final statement is:

“The company needs to emphasize that there is a need to liberalize the rate structure and it feels strongly that the finance housing environment would be enhanced thereby.”

I was just reading that to put this provision into context and to show, here you have a company that is providing a service, it has \$220 million lent to public servants loans that are being serviced and last year it provided 348 loans, but it had to stop. It is a company that also provides loans under the settlements programme, this is IADB money—

Hon. Member: Why did it stop?

Mr. H. Breaux: Because it had no more money. It stopped for a time and then restarted. The budget proposes to introduce a tax credit equivalent to 50 per cent of the interest payable in bonds issued to individuals and corporations by the Trinidad and Tobago Mortgage Finance Company, where the proceeds are designated for lending in the approved mortgage market. Also, to replace the fixed mortgage rate cap of an approved mortgage company by a flexible rate—this flexible also proposes to widen the range of mortgage loans under the approved mortgage company provisions to cater for the increase in market value.

The budget also goes on to make some other provisions in respect of the Home Mortgage Bank increasing the ability to issue bonds where there was a cap of \$300 million to \$600 million. There is a provision for a national mortgage insurance scheme and computerization of the land registry. To show that this is consistent with the plans of the Government, I will read from page 33, Item 110(5) of the *Medium-Term Policy Framework*:

“The introduction of a mortgage insurance indemnity scheme and flexible interest rate as support mechanisms to the approved mortgage company.”

I want to touch on the mortgage insurance indemnity scheme. Such a scheme is normally used to assist as security for loans. Then there is the adjustment of the bonds under the approved mortgage company programme with a view to making them more consistent with prevailing selling prices, tax exemptions of mortgage backed securities and the standardization of mortgage documentation.

What many purchasers have found—particularly, first time purchasers—persons who are not sophisticated and experienced in property transactions—is that when they purchase a house, they start with the search fees, the lawyers’ fees, the commitment fees, the valuation fees and all the other fees. If they are buying a

Appropriation Bill (Budget)
[MR. H. BÉREAUX]

Thursday, December 02, 1993

house for \$150,000 they would find that an aggregate of the fees which they have to pay could amount to between \$6,000 and \$9,000. The high cost of searches has to do with the difficulty to access the records in the registry. Therefore, with the computerization of the registry, and with the standardization of the mortgage documents and the mortgage indemnity scheme, we would see a definite reduction in the cost involved in purchasing property and as a result of that, we would see more people accessing the mortgages which will be made available by virtue of this provision and the provision in respect of the Home Mortgage Banks.

The more persons getting into the residential property area, the more you will find more construction with the concomitant increase in employment.

7.30 p.m.

I come now to the incentives granted in respect of tourism. I know the Member for Tobago East is likely to ask what expertise I have in that area. Just to forestall that question, let me say that I used to be a 25 per cent holder of a reasonably large hotel, so I know how not to do it.

I quote from page 15 of the *Review of the Economy 1993*:

“Tourism

Ongoing efforts to promote tourism in Trinidad and Tobago within years appear to be yielding some measure of success...

During the first six months of 1993 the occupancy rate for hotels was higher than in the previous year increasing to 54.6 per cent. The rate for guest houses also rose from 44.7 per cent to 48.5.

...the total amount of money spent by visitors was approximately \$237.7 million compared to \$229.4 million in the corresponding period in 1992.”

The tourist industry has the largest potential for hiring persons. There is a rule of thumb which says that for every hotel, if you can get that hotel 60 per cent occupied, you have one person employed. Additionally, once the tourism thrust is structured in a manner which will direct the guest to use local foods and to participate in local occasions, you will find that the money brought in by the tourists will dissipate quickly throughout the community and a substantially larger number of persons will benefit from the presence of the tourist. That will also tend to fuel your agriculture, your craft and your light industry, because whenever a tourist comes to a country, he or she wants to get something to take back home, whatever it may be: craft, art, a number of things. So tourism can provide a

substantial number of jobs to support, in particular, a large number of small entrepreneurs.

Moreover, tourism, is an industry which, when properly handled, encourages the country to put in infrastructure—infrastructure must be needed—which is usually very friendly to the environment once the controlling authority does not permit the tourist to get out of hand.

The Minister of Finance announced that local investors will be allowed to claim 25 per cent of their equity investment in approved hotel and tourism development projects—I want to emphasize and underscore “tourism development projects”—as a tax deductible expense. This measure will be introduced during 1994 and will be extended to both individuals and corporations. Tourism development need not necessarily be a hotel; there are other things, like guest houses. There are a number of other areas that tourism development can encompass. What is significant, I believe, is that there is a need in Trinidad and Tobago to go back to basics to a large extent in respect of a greater tourism thrust.

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. [*Miss P. Nicholson*]

Question put and agreed to.

Mr. H. Bereaux: Madam Speaker, I thank hon. Members for the additional time.

As I was saying, in most things we need to go back to basics. Tourism was started by people entertaining travellers, and what you found was that the man with the biggest house in the district or town, would entertain travellers; they would eat at his table and they would spend money in the village. As a result of that, all the persons in the village knew the traveller as the guest of this recognized and respected person in the district, and you found that travellers were not molested in the area where they spent the night. To a large extent we need to go back to some of that as a support, also, for the large hotels which are to be established. We will find that the incidence of molesting tourists will be reduced and a number of places not now on the map could become tourist attractions because of that. So there are tremendous possibilities in the tourist industry.

However, there is a caution. We in Trinidad and Tobago have to recognize, if we are to get into the tourist industry, that civility and service do not necessarily mean servitude. Everyone likes to be treated properly, respectfully; and to be

Appropriation Bill (Budget)
[MR. H. BEREUX]

Thursday, December 02, 1993

respectful and humble is something that is important, it makes you big. I think we have to point that out to our population if we are to deal with tourism.

On the environment, may I say that the work of the Civilian Conservation Corps is critical to the environment and will also deal with the tourism thrust.

As I quoted earlier, one of the growth areas was agriculture. In the *Review of the Economy 1993* it states that with the reduction of employment there was a shift to agriculture—again back to the lands. I want to look at the provisions in the Budget at page 38, where it says:

“To further stimulate investment in agriculture, it is proposed:

- (i) fifty per cent of the interest earned by financial institutions on loans made to approved agricultural holdings should be exempt from tax.”

I have dealt with the promotional expenses under corporation tax but again, agriculture is like small business; it suffers from a lack of capital. I recall the Member for Couva North making a point about agricultural insurance. I know it is an extremely difficult area to deal with, but I also believe that we need to look at that, because the possibility of persons losing their crops is always a hindrance to the agricultural thrust.

One comes back to things that are dear to one’s heart. About two weeks ago I was in my own constituency and saw some large trucks passing on the bad roads in La Brea. I looked at those trucks and said to myself. These gentlemen are destroying the roads and they are not paying or they are paying just like me. This road improvement tax is something that I support 100 per cent. I think it is a good idea; in particular, I like the way in which the fund has been set up so as to focus directly on the repair and maintenance of the roads.

7.40 p.m.

I recognize that the roads in La Brea are a little different and a little more difficult to deal with than any I know. However, I would like to inform hon. Members and the national community that I am going to be hosting a symposium to which I intend to invite several engineers and road pavers. The symposium will look at the difficult geological problems of the roads to see how best they can be dealt with. I have seen tons of asphalt sink into those roads and I know there is a problem, but I believe that the Member who has that problem needs to come up with initiatives. I have always said that the problem there is lack of initiative to deal with the problem. In due course, I will be extending invitations to relevant persons.

Mr. Palackdharrysingh: Forget Imbert.

Mr. H. Breaux: No, no. He is always receptive to anything I have to say.

I note under “Public Utilities” there is a sum of \$12 million voted for the St. Patrick Waterworks Project. I just want to record the thanks and appreciation of the Member for La Brea on behalf of the people of Los Bajos, Palo Seco and for San Francique, too, but I know the Member is capable of expressing those sentiments himself. *[Interruption]* If you were standing, I would answer that, but as you are not and it is not going to be recorded, I am not going to pay any attention to it.

Finally, the matter of the catastrophe insurance whereby insurance companies which cover property business are permitted to put away 20 per cent of their premium income into a catastrophe fund for a five year period in order to get a tax deduction. Over the past few years we have seen a number of natural disasters. There were hurricanes Hugo and Andrew; then there were Bret, Piper Alpha. There were big petroleum disasters with some refineries being damaged by fire or explosion. We had our own problems here in Trinidad and Tobago.

Those disasters have put tremendous strain on the funds available to insurance and reinsurance companies in particular, to the extent that rates have gone up to unacceptable heights. Because Trinidad and Tobago is in the earthquake zone, and now the Caribbean has been lumped together and is being called the hurricane zone, one finds there is loading on the policy.

But, more importantly, fortunately for us at Pt. Lisas, there is a large concentration of industry worth over a billion dollars. The syndicates which do property insurance or reinsurance, when they go to assess an area, look at the possibility of a disaster happening in the area, along with general exposure. This whole insurance problem, the world over, has become so acute that one of the major property underwriters of reinsurance, Industrial Risk Insurers, will go out of the petro-chemical market altogether as at December 31, 1994. They will be writing no more property business and approximately 30 per cent of the risk in Trinidad and Tobago is covered by those insurers.

So that when the risk managers and the Trinidad and Tobago brokers try to access that market for January 1994, they are going to run into problems. This has happened before. It is not new. It happened once in the oil industry and what the major oil companies did was to put together an energy captive called Oil Limited.

This provision in the budget to permit the insurers to put together a catastrophe fund—and I will tell this House how the problem normally occurs. If

Appropriation Bill (Budget)
[MR. H. BÉREAU]

Thursday, December 02, 1993

they get insurance, what they will say is, “We will cover x billion dollars in respect of this area.” If there is a catastrophe, regardless of the quantum of the loss, the insurers or reinsurers will only cover a certain amount. The sums which are being put into this fund are a provision to assist in covering the risk. It is a step in the right direction.

The theme of the Budget Speech is “A shared vision.” Earlier, I indicated that some did not share this vision, but those who have eyes to see, let them see. And it is also said that seeing, they would not believe and, hearing, they would not understand.

Thank you, Madam.

Motion made, That this House do now adjourn to Friday, December 3, 1993 at 10.00 a.m. [Hon. K. Valley]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.48 p.m.