

Appropriation Bill (Budget)

Monday, January 15, 1996

HOUSE OF REPRESENTATIVES

Monday, January 15, 1996

The House met at 10.00 a.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

APPROPRIATION BILL

(BUDGET)

[SECOND DAY]

Order read for resuming adjourned debate on question [January 10, 1996]:

That the Bill be now read a second time.

Question again proposed.

Mr. Patrick Manning (*San Fernando East*): Mr. Speaker, may I begin by congratulating the hon. Minister of Finance on his first budget presentation. However, I must take issue with much of the content of his presentation.

The Minister's presentation was replete with fluffy, comfortable words and sentiments but it was conspicuously short on action plans, and even shorter on action. It was as deceptive as the rosy apple that Eve is reputed to have eaten only to reap the reward of sin. "Brevity", it is said, "is the soul of wit"; but brevity may also be a facade for the absence of ideas and plans. In the case of the 1996 budget, the latter appears to be the truth.

The budget statement is, and I quote:

"...mercifully short in length, but painfully shorter and sadly lacking in vision and new ideas...It is a bland and cowardly attempt to hoodwink and deceive an unsuspecting population by handing out crumb with one hand while taking a loaf with the other."

Mr. Speaker, these famous words which were uttered by the hon. Member for Couva North with reference to the 1992 budget, now seem more applicable to the 1996 budget. I am sure that the hon. Prime Minister, will, in hindsight, agree that the 1992 budget set the tone for the economic upturn which is now the reality in Trinidad and Tobago, a process that the implementation of this budget is destined to undermine.

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The 1996 budget started life rather promisingly last Wednesday. Primarily, the Minister of Finance promised that the Government will pursue an economic policy that will encourage growth, maintain exchange rates, stability, keep inflation under control, and continue to develop a climate conducive to investment. Secondly, we were promised that the Government would pursue its goals on three broad fronts: macroeconomic fundamentals, sustainable job creation and an effective social services programme which will address, among other things, the “intolerable poverty problem”. Finally, we were promised that “the budget will start the process to achieve these objectives.” If I did not know better, I would think that this Minister had only just arrived in the country.

The budget statement is worrisome for what it does not say as well as for what it does say. What should be made clear is that many of the measures outlined by the hon. Minister of Finance will most certainly have the opposite effect to his stated objectives. How comfortable can one be with the Minister’s promise to pursue policies that will lead to sustainable economic growth, when he plans to take a further sum of \$1,633.5 million in 1996 from the economy to pay for his additional expenditure of \$1.1 billion? If the Minister succeeds what effect will this have on his quest for sustainable growth? Moreover, if the level of savings is critical to sustainable growth how does the hon. Minister explain the decision to remove the tax credits on Government’s savings bonds and the Unit Trust, First Unit Scheme? What effect would the removal of the dividend allowance have on the investment behaviour of pension funds managers, and how will this affect sustainable growth?

Our 1992 budget presentation emphasized stabilization, convinced as we were, that the requirement was first to reposition the economy to rebuild the country’s stock of foreign exchange reserves which stood at a mere US \$3.4 million at the end of 1991 and provided for growth. However, while the focus of our economic policies was on the stimulation of economic activities and the creation of jobs, we remained sensitive to the concerns of households, especially those persons in the lower income groups and the public servants who were deprived of their income by the previous regime.

Thus, in our first budget, in spite of the straitened financial circumstances of the time, we implemented the award of the Special Tribunal of the Industrial Court in respect of public sector salaries. We increased the payment of old-age pensioners from \$315.00—\$347.00 per month. We increased the payment to social assistance beneficiaries from \$92.00—\$101.00 per month for adults and

from \$80.00—\$88.00 for children. We provided \$90 million for the Unemployment Relief Programme in 1992; it was increased subsequently. We removed VAT from certain basic necessities including books, at a cost to the Treasury of \$18 million. We signalled that the level of direct taxation would be reduced as soon as it was appropriate in keeping with the medium-term strategy to which we were committed.

With a view to encouraging an increase in the level of savings, especially among lower and middle income taxpayers, the PNM Government restructured and reintroduced tax-free savings bonds allowing a tax credit of 25 per cent of the amount purchased up to a maximum tax credit of \$12,500.00. We increased the tax credit on net increase in unit trust and credit holdings from 20 per cent to 25 per cent, and increased the maximum tax credit to \$625.00 in 1992.

We continued the initiatives in successive budgets, however, always within the limits imposed by prudent financial management. Thus, with the preparation of the 1994 budget, it became clear that our programme of economic stabilization was successful and that the economy was poised for growth. We expanded the social safety net by 48 per cent to \$1.1 billion from \$740 million in 1993.

In 1994 the social safety net accounted for 14 per cent of total expenditure. This programme included old-age pensions, unemployment relief programmes to assist the unemployed, food subsidy, school feeding programmes, social assistance, grants to assist schools and churches, apprenticeship schemes, orphanages, the Civilian Conservation Corps and the Servol feeding programme for the needy which were introduced in 1993, and Servol feeding programme for the needy.

10.10 a.m.

A pensioner's tax credit was also introduced in the 1994 budget in our quest to lower the tax burden on our senior citizens. Further tax reductions designed to provide additional relief to householders were incorporated in the 1995 budget, specifically taxpayers whose chargeable income fall between \$16,000 and \$20,000 were provided with marginal relief, and the top marginal rate of tax for individuals was reduced to 38 per cent, and incidentally, the 35 per cent rate was also reduced to 33 per cent.

While we commend the Minister of Finance for the apparent continuation of the policy to lower the burden of taxation on the population, we are concerned that in spite of the planned reduction in the rates, the hon. Minister estimates that

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he would raise an additional \$365.6 million from individual taxpayers or an average of approximately \$850 per taxpayer. If the Minister's estimates are correct, then the apparent reduction is a mere mirage. Quite frankly, this budget will not fuel growth; it will not engender investor confidence or provide for the continuation of exchange rate stability. In fact, if the Minister's projections are realized, the more likely scenario is a contraction of economic growth as he expropriates over \$1,600 million more from an unsuspecting economy to satisfy the spending aspirations of his ill-informed Cabinet colleagues. I do not know if they understand fully what is involved in the presentation that has been made.

It appears that rather than suffer the wrath of his friends by ensuring that the expenditure is kept within manageable limits, the Minister, in frustration, threw caution to the wind and picked the revenue figure, that given his level of proposed expenditure would indicate a surplus of approximately \$300 million, a figure just picked out of the air. Hon. Members, the hon. Minister's revenue estimate is overstated by at least \$750 million. In fact, it could be far more than that.

The question is: If he could not hold his Cabinet colleagues at bay while preparing his budget, could he be relied upon to tell them the truth when they come demanding their fictitious allocations during the year? The allocation is only on paper. There are no revenues to sustain it. In 1993, revenues increased by 10 per cent over the 1992 level of \$6,176.3 million. Revenues grew by a further 10 per cent in the fiscal year 1994 to reach a level of \$7,469.9 million. In 1995, the revised estimates suggest a growth of 11 per cent in revenues to a level of \$8,302.5 million.

Given this history, what possibly can account for the Minister's projections of a 20 per cent overall increase in revenue in 1996 over the figure reached in 1995? In the previous years, the figures were 10 per cent, 10 per cent and 11 per cent, and suddenly in 1996, by the wave of a magic wand, it is 20 per cent of revenues. All of this is with an economy that is likely to shrink if he does what he says he will do.

Oil sector revenues which are estimated at \$1,437.8 million in the *Draft Estimates of Revenue* have been revised upwards to \$2,107 million in the hon. Minister's budget statement. Non-oil revenues which increased by 6 per cent between 1993 and 1994 and by a mere 5 per cent between 1994 and 1995 are estimated to increase by 16 per cent in 1996, or by \$1,068.2 million. On what basis? Only God alone knows. It is just not squaring, Mr. Speaker.

By sleight of hand, the Minister seems to be inclined that his revenue forecast is tied to an expected growth in the economy of 4.5 per cent. Two concerns are immediately relevant. The first is that even if there was a growth rate of 4.7 per cent in 1994, government revenues from the non-oil sector increased by just about \$365.8 million. The revised estimates for 1995 suggest that the incremental revenue accruing to government from the non-oil sector is \$294.4 million in 1995, although non-oil sector growth is estimated at 4 per cent in 1995.

Against this background Mr. Speaker, we are informed that in 1996 Government revenues from the non-oil sector would increase by \$1,068.2 million. Clearly, this has to be monopoly. Moreover, if inflation is to be controlled at a maximum of 5 per cent and the economic growth rate is 4.5 per cent, one would normally assume that other things being equal, the absolute maximum incremental tax yield would be around 9.5 per cent. It is not so with this Minister of Finance. He has assumed 16 per cent and therefore, with a stroke of the pen has created about \$400 million of additional non-oil revenues over that which would have accrued from a prudent estimation. That is manipulation of figures.

In addition, other things are not equal. Ammonia and methanol prices which were high in 1995 began falling towards the end of the year and, therefore, with the current forecast of depressed prices for those two commodities, the level of revenues from the petrochemical sector would be considerably reduced in 1996. This may reduce the non-oil revenues even further as the tax paid by the National Gas Company will fall. Even on the basis on which we have calculated the figures, when one looks at the details one would get a figure that is even lower than the figure I have estimated for revenues.

I could easily do as we have done, a careful scrutiny of the hon. Minister's projection of revenues from the national lotteries, but I leave it to one of my other colleagues. Here again, the revenues have been grossly overestimated. On what basis? The Minister of Finance alone may be able to tell us. This budget is nothing more than a wish list of arithmetic. In order to fudge the figures in an attempt to mislead the population, the Minister of Finance has overestimated and inflated the projected government revenues in 1996 to the point of absurdity. Therefore, what we have here is not a budget but a monetary hoax which, as the months go by and the revenue figures are not realized, will become painfully evident when the Government is forced to increase its borrowings, thereby

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crowding out legitimate private sector investors, or returning to the Parliament with the real budget for 1996 which would then include considerable pain for the population as the programme of adjustment for one year is squeezed into a shorter period. That is the reality.

The inconsistencies in the figures are not confined to the *Draft Estimates of Revenues*. The Minister has confused the issue by using different revenue figures in the budget speech from the figures published in the budget documents. In his speech he indicated that total expenditure in 1996 is budgeted at \$9.65 billion, whereas the total expenditure figure on page 5 of the *Draft Estimates of Revenue* is \$9.78 billion. There is a difference of \$130 million which is correct.

10.20 a.m.

The total capital expenditure is also shown as \$1,029 million in the budget documents, but on page 16 of his speech, the Minister refers to a development programme of the Member for Oropouche of \$810 million in 1996. Is this another mistake? Or, is it a case of the Minister of Finance showing the Minister of Planning and Development who is boss and who is really in charge of this development programme by slashing it after it had been agreed to around the Cabinet table?

The same applies to the projected revenues from oil. The Minister referred to a total oil revenue of \$2.1 billion in his budget speech, although the figure published on page 6 of the *Draft Estimates of Revenue* is at the more realistic level of \$1,400 million. The documents indicate a figure, the Minister gives another figure, which is over \$650 million more than the figure in the documents, and as you will see, the figures in the documents come closer to reality. I wonder if, when the hon. Minister of Finance increased that figure by \$650 million, he was merely indicating to the national community that he expected Saddam Hussein to invade Kuwait in 1996.

We have no doubt that under a PNM Government, this economy could have grown by 4.5 per cent in 1996. The macroeconomic environment before the presentation of this budget was conducive to this level of growth, but things have changed. Our most conservative estimate is that the Minister's projection for non-oil revenues is at least \$400 million in excess. Using the Minister's oil price of US \$17.50 per barrel, and an average daily projection of 133,618 barrels, the experts have confirmed that the technocrats' estimate of \$1,437.8 million, which is stated in the *Draft Estimates of Revenue* as the likely outcome for revenues, is a best-case, stretching your imagination as far as you reasonably can, of \$1,450 million.

Accordingly, the projection of \$2,107 given by the Minister in his budget statement is overstated by at least \$350 million and, according to the technocrats, by approximately \$670 million.

A view has also been expressed by the experts that the US \$17.50 per barrel price is also over-optimistic. One expert, yesterday, is quoted in a daily newspaper as saying that a US \$16.00 per barrel price is more likely. We would accept a US \$17.00 per barrel price and at this level the oil revenues would have been overstated by a further \$60 million. This is not a budget at all. This is just games; random numbers.

In summary, Government revenues in 1996 are at best likely to be \$9,186 million. Thus, rather than the surplus of \$284 million expected by the Minister, the more likely outcome is a deficit of at least \$466 million in 1996, with a high of over \$1,000 million. That is the reality—no surplus; huge deficit. It could even be worse. I have given conservative figures, and all I ask is whether the hon. Minister had considered the implications of all this for the exchange rate in Trinidad and Tobago.

The funding of a deficit of this magnitude will compromise seriously efforts to maintain price and exchange rate stability and will undermine investor confidence.

Since a growth rate of 4.5 per cent requires increases in the level of capital investment, which in turn is a function of investor confidence, one sees quite clearly that the growth momentum in the economy would be slowed in 1996. Alternatively, the Minister may do what he should have done in the first place and say no to the continuing demands of his colleagues. However, the unnatural nature of that coalition Government makes this a most unlikely scenario. The national community ought to take careful note of this latter point, since it raises the spectre of major conflict within the Government later this year. Just take note. *[Interruption]* I will let that pass. Perhaps, as I said earlier, the hon. Minister will return to this House with a more realistic budget within six months, excluding all the highs.

The increase in inflation which will result from the implementation of this budget will do most damage to our domestic manufacturing sector which now has the confidence to compete internationally—and I noticed today in the newspaper that the manufacturing sector is coming alive and complaining bitterly about the

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implications of the measures in the budget for manufacturing expansion and job creation in that sector. In fact, they talk about retrenchment.

A lower, stable level of inflation is necessary if this sector is to maintain competitiveness and increase exports and therefore provide the jobs that the population expects of it. Further, such a deficit, creating as it will an increase in the demand for foreign goods and services, will lead to a reduction in the level of our foreign reserves and put further pressure on the exchange rate. I need hardly remind the national community that a Trinidad and Tobago dollar which falls in value will result in increases in the price of everything that we purchase, including curry, smoked herring, cheddar cheese, sardines, baking powder and corned beef. *[Interruption]*

Tax reductions are always welcome. However, on this occasion, because of the failure of the hon. Minister to hold his expenditure, we seem to have been given "funny" money, monopoly money or, as the older folks will say, "cockset paper" money.

A short five years ago the economic circumstances of this country were particularly difficult. The *1990 Annual Economic Survey* published by the Central Bank of Trinidad and Tobago placed the end of the year employment rate at 20.4 per cent, with 94,900 persons out of work and seeking employment. That review acknowledged that the then prevailing rate was mitigated somewhat by a contraction of 0.9 per cent in the labour force, from 476,800 persons in 1988 to 465,200 persons in 1990. In layman's language, people had given up and were no longer putting themselves on the market for jobs. The number of persons with jobs stood at 374,000. From the same source, the Central Bank's *Annual Economic Survey*, 1990, noted that there had been a sustained decline in real GDP at an average rate of 3.3 per cent per annum over the period 1983—1990, in other words, the economy contracted at that rate.

10.30 a.m.

In 1990 there was also an overall fiscal deficit in the Government's accounts notwithstanding the fortuitous and very dramatic increase in oil prices induced by the Gulf crisis and the productivity of the value added tax which had only been recently introduced by the Government.

Mr. Speaker, continuing with the description of the bleak economic picture of five years ago, consumer prices, as represented by the retail price index rose by an average of 11.1 per cent. The economic survey records that much of that rise

was attributable to the increases to the price in food, the item generally accorded the most substantial rate in the computation of the retail price index.

With respect to our trading relationship with the rest of the world, the external performance of the economy had deteriorated in 1990 to such an extent that the external deficit widened to the equivalent of 3.5 per cent of GDP. Mr. Speaker, you will recall the brave promise made in 1987 by the Minister of Finance to rescue the country from the jaws of three financial dragons, one of them being the debt trap. The honouring of that promise proved extremely difficult, so much so, that in the Minister of Finance's 1992 budget presentation he commented, and I quote:

“We begin 1992 with an external debt some 16 per cent larger than in 1986.”

I am just ensuring that the record is complete in respect of the performance of my hon. Friend, the Member for Tobago East.

What was particularly unfortunate, and what the Minister of Finance pointed out, was that the real value of our output and income value as a nation, the resources from which that increased debt had to be serviced, was lower than in 1986. The implication of this was that there was the need to commit an increased share of the national income to service that debt.

Finally, the foreign reserve situation was most unstable. The pursuit of an ill-advised easy monetary policy in 1991, influenced no doubt, largely by the elections of that year, left the authorities unable to staunch the outflow of foreign exchange in the second half of the year. The gross foreign exchange holdings of the Central Bank fell by US \$146 million, and the banking system as a whole ended the year 1991 with net foreign exchange reserves of US \$50 million. The net official reserve for the year 1991 was a mere US \$3.4 million.

These macroeconomic imbalances and the considerable erosion which they had brought to our living standards were occasioned largely by a precipitous and enduring decline in the real price of oil in the world market, a trend which started in 1981 and which reached crisis proportions in 1986. They were further exacerbated by a steep rise in world interest rates by the increased volatility of international currencies and reduced financial inflows.

These economic difficulties, beginning, as I have said, in the early '80s forced successive administrations, beginning with the Chambers' administration from 1982—1986 and ending with my own administration covering the period 1992—

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1995, to embark on an inescapable programme of economic stabilization and structural change. This programme saw the implementation of policies designed to correct the imbalances in the fiscal unbalance of payments accounts; to restore the economy to a sustainable growth path, thereby providing the environment for the creation of more jobs and for the alleviation of poverty; to diversify the economy and keep it internationally competitive and to ensure that the foreign reserves were built up to an acceptable level and the foreign debt situation brought under control.

These were the circumstances in which the Government of 1992 came to office and the obligation which those circumstances placed on that Government to pursue certain inescapable policies. How very different is it today? The macroeconomic policies pursued over the last few years have changed the economic circumstances of this country to such an extent that the policies have won the admiration, approval and support of economic analysts, businessmen, media commentators, thinkers and so forth, both at home and abroad. Such has been the success of these policies that the present coalition Government has had the good sense to endorse them and has promised repeatedly that there will be no fundamental departure from these policies.

The macroeconomic indicators speak for themselves. In the space of a few short years the economy has effected a remarkable turnaround. From a fragile economy, heavily reliant on protectionist barriers and staggering from a precipitous decline in international oil, domestic oil prices and domestic oil production, the economy is now on a solid footing for sustained economic growth.

In 1994 the economy recorded:

1. The first overall surplus on the Government fiscal account since 1981.
2. Economic growth of 4.7 per cent with the non-oil sector recording growth of 3.5 per cent, well above the projection made at the beginning of 1994.
3. A balance of payment surplus of US \$187 million equivalent to 4 per cent of GDP, the first such overall surplus in more than a decade.
4. Gross international reserves of US \$708 million, sufficient to cover 8.4 months of import.

Mr. Speaker, you may recall that the reserves at the end of 1991 was about US \$3.4 million.

5. Productivity growth of 17 per cent positioning us, as it were, for international competitiveness.
6. A year-to-year inflation rate of less than 6 per cent. That is to say, that prices increased by 6 per cent in that period—the value of the currency fell by 6 per cent in that period—and that was tolerable. In fact, that is a figure that is consistent with the figure used in developed countries.
7. Stability of the exchange rate as reflected in the currency's minimal depreciation of 1.5 per cent against the US dollar. That is the record.

This trend continued in 1995. Gross domestic product is estimated to have grown by 3.5 per cent, inflation is expected to average 5 per cent for the year, gross international reserves stood at US \$852.2 million at mid-year. National savings as the percentage of GDP increased from 9.9 per cent in 1992 to 17.1 per cent in 1995—moneys used for investment and job creation. The unemployment rate declined from 20.3 per cent five years ago to 16.4 per cent for 1995 as estimated by the International Monetary Fund.

The external debt service ratio declined from 32.7 per cent in 1992 to 21.7 per cent in 1995. In 1996, it is expected to decline further to 18.8 per cent, but turn upwards marginally in 1997 to accommodate the repayment of the five-year Eurobond that the Government issued in 1992.

The hon. Minister of Finance's feigned ignorance of the existence of this debt, in spite of his being a Member of the Cabinet that approved the issue is remarkable, Mr. Speaker, shades of Rip Van Winkle. Is the Minister of Finance not also aware of the floating of another Eurobond issued in 1993 while he was still a Member of the Cabinet? If he is not, then it is even more unlikely that he would remember the 1994 issue, since he had by that time taken his leave of the Cabinet.

The debt service ratio declined to 11.8 per cent in 1988, those were our projections, that is the way we were conducting the nation's financial affairs. Mr. Speaker, what 11.8 per cent really means is that that money is appropriated for servicing debt and more money is therefore available for a development programme at home and, therefore, job creation as a result of it.

10.40 a.m.

Obviously, what is required in 1996 is a continuation of fiscal prudence to which this country had become accustomed over the recent past. However, rather

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than building on the inheritance bequeathed by the former Minister of Finance, he has capitulated to the competing demands of his ministerial colleagues for increased allocations, and to the IMF consultants who advised that the required surplus is a minimum of \$300 million. He has done this, by treating the revenue estimates as the balancing item without any clear plan as to how this projection is to be realized. The indicated revenue figure of the Minister of Finance has absolutely nothing to do with reality.

Obviously, fiscal prudence required the Minister of Finance to hold his colleagues in check and limit the increase in recurrent expenditure in line with the trend over the recent past. Over the four-year period, 1991—1995, recurrent expenditure increased at an average annual rate of approximately 7 per cent. Had the Minister used this trend as his guide the recurrent expenditure would have been almost \$800 million lower. That is the problem. He could not keep his colleagues in check, and therefore just put figures in the budget.

Even if the Minister was guided by the expected growth rate and an inflation rate of the maximum of 5 per cent, the recurrent expenditure would have been lower by approximately \$600 million. The Minister's planned recurrent expenditure of \$8,842 million suggests a level of profligacy that undermines confidence. It is frightening and it is nothing short of financial irresponsibility.

Permit me now, Mr. Speaker, to direct attention to some other issues raised by the hon. Minister of Finance. Mr. Speaker, with respect to the fiscal measures, particular concern is with the absence of any indication as to the revenues, savings or cost to the Treasury of the measures enunciated. This is the first budget in many, many years to treat with fiscal measures in this way. In fact, it may easily be the first budget ever to do it. When one brings fiscal measures to the Parliament one normally says to the Parliament, this will cost this or this will raise that amount of revenue. But with this Minister of Finance, no! The reason for that is, as far as possible, the Minister appears to want to avoid clarity and instead to finesse the problems inherent in his mix of measures. He is trying to hide those easily calculated figures to avoid exposing the fallacy of his revenue projections. He is trying to hide all around, Mr. Speaker.

In his budget presentation the Minister of Finance sought to make much of the reduction in direct taxation on individuals. Whilst we are in full support of this measure we would have preferred that it be real. As you will know, it was our stated intention to effect just such a measure, except that we had announced our

intention beyond the 3 per cent reduction, and we would have done it in a climate of real confidence.

The Minister of Finance reduced the top two marginal rates by three percentage points without sharing with the national community how much this is expected to cost the Treasury and how he planned to fund the shortfall. Some taxpayers can easily estimate the small savings they would obtain from this measure. But then the Minister removed a number of credits and allowances without giving any indication as to the tax gained to the Treasury. Most taxpayers would not readily see the real cost of these measures to themselves until the effects begin to work their way into the system later in the year, not now. I listened with amazement at how some people were hailing these aspects of the budget without clearly going into a proper analysis of it.

Let us examine the effect of a few of the hon. Minister's measures. The Unit Trust is a major recipient of invested savings for taxpayers, particularly small income earners who need work opportunities. Today, there are over 100,000 such participants in this very successful national savings scheme. The tax credit served to encourage savings in an organization that would shelter their savings from the ravishes of inflation and still provide an attractive earnings yield. Further, Mr. Speaker, the tax credit served to encourage the average taxpayer away from the temptations of consumerism towards thrift and savings. The removal of the credit on the first unit scheme will most certainly result in a reduction of the future accumulative wealth of the nation especially holdings by the ordinary citizen, the man-in-the-street. So too, with the proposed—*[Interruption]* I would have spoken the truth.

Mr. Speaker, what they are now beginning to realize is that the assumption that it is easy to manage the economy of Trinidad and Tobago is a dangerous assumption to make; it calls for prudence; it calls for skill; and it calls for dedication. It is not easy to do.

So too, with the proposed removal of the tax credit for the increase in credit union shares. Mr. Speaker, these organizations have liabilities which are funded by investment from the shareholders. Many of these shareholders invest and save in credit unions because of the attractiveness of the tax benefit. One only has to look at the December rush in deposit placement to confirm this fact.

The discouragement of credit union savings will lead to financial inviability, with attendant losses to the shareholders and the financial sector, as a whole, as these institutions may experience serious cash-flow problems. This air of

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instability which will prevail in the face of cash-flow problems and deposit reduction will serve to further annoy even these diehard credit union supporters as they begin to fear for the safety of their homes. Obviously, legislative reform aimed at making the credit unions more attractive to the saving public and making them more accountable, is the preferred option. That is the answer. Instead, this marauding Minister, in a most cavalier fashion, has now put the entire credit union movement and by extension the financial sector at risk. That is what they have done.

Mr. Speaker, we note with some concern the elimination of the dividend income allowance which was available to the investing public. The dividend income allowance has been an important catalyst in generating investment funds from both the private sector and institutional investors such as pension funds. The device attracted and maintained investment capital within the national economy. Notwithstanding the inherent risks in an economy such as ours, it provided a preferential bias for local investment and so contributed to the preservation of the exchange rate. The dividend income allowance also served to increase significantly the net revenues of pension funds. That enhanced income had the effect of lowering contributions by persons seeking to secure future retirement incomes.

Without a thought for the effects of his action, in typical chop and paste style, in one fell swoop, this beleaguered Minister of Finance has removed the measure without giving any indication how such action will contribute to his stated objectives. It just does not compute. It is different from what the Minister is saying. It may now be necessary that pension contributions of individuals be increased in order to achieve the required reserve necessary to fund the future pension payments. Moreover, this tax change makes a mockery of the concept that pension funds are allowed to accumulate free of tax—it is the savings of persons put aside for their retirement.

The removal of VAT and duty from the few food items which the Minister of Finance named is a welcome continuation of a process which we, the PNM started in our last term of office. One will recall that whilst in Opposition at an earlier time we had to do battle with an NAR administration under the now Minister Extraordinaire—[*Interruption*]

Mr. Robinson: Please pronounce my name properly.

Mr. P. Manning: How is it to be pronounced?

Mr. Valley: It is like the budget, it is a misnomer. Ask Mr. Panday.

Mr. P. Manning: We had to do battle with them in order to keep VAT from being applied to hops bread—big fight in the Parliament over that. They wanted to put VAT on hops bread, we said no; they wanted to put *[Inaudible]* we said no. Eventually they said, yes, after good sense was allowed to prevail.

10.50 a.m

When we came into government in 1992, we immediately removed VAT on books and periodicals and subsequent to the liberalization of the currency regime, adjustment was made with respect to some medicines. The present Minister has simply followed our lead and we must thank him for his kind and small mercy.

Mr. Speaker, the *Draft Estimates of Revenue* shows that collection of tax from individuals is budgeted to climb from \$1,430.7 million to \$1,793.2 million, an increase of \$362.5 million. This increase is 25.3 per cent more than that collected in 1994 or 1995. With 430,000 employed persons, and assuming that every such person is paying tax, that would mean an increase in each and every employed person's tax by \$850 in 1996. We know that all those persons with chargeable income below \$20,000 will pay no tax, therefore, the average share of the rest of the tax-paying population will have to be higher than \$850 in 1996. Either that, or the hon. Minister intends to create 109,882 new jobs which, using the average tax paid for employed persons, will make up the increase, but that will mean employing roughly 20,000 more persons than exist in the labour force. Surely, Mr. Speaker, that is moving into the realm of absurdity. No credibility whatsoever, this budget, none at all! Something is clearly wrong. In one breath we are told that taxation on individuals has been reduced, while in another, the Minister informs us that he intends to collect much more in taxes from individuals.

Even a phenomenal increase in compliance cannot have that effect. The improvement in compliance and collection over the last three years does not support the view and examination of the facts and figures will show that the revenue figures are clearly overstated.

By raising the threshold of VAT to \$150,000, the hon. Minister of Finance thinks that he is helping small businesses, but instead, he is really making the cost of doing business higher for the small man. VAT is not a cost to a VAT-registered person, but it is to someone who is not VAT-registered. To the merchant who is not VAT-registered, the VAT he pays on supplies made to him is not recoverable,

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however, if he is registered, he is empowered to charge VAT on his sales and so recover the VAT that he paid. So you understand what he would do? He would just raise the price—and some may very well go out of business. This measure, therefore, is likely to result in a number of small businesses going out of operation. All sounding right, Mr. Speaker, but careful analysis suggests that it is not right.

On the question of VAT revenues, our analysis shows that VAT has been a relatively constant per cent of gross domestic product (GDP). In 1991, VAT collections were 4.67 per cent, in 1992 it was 4.19 per cent, in 1993, 4.74 per cent, in 1994, 4.38 per cent, in 1995, 4.06 per cent. However, against this trend, the projected VAT revenue contained in the *Draft Estimates of Revenue* for 1996 computes at 5.5 per cent of GDP. Is this realistic, or is it that the hon. Minister is playing roulette again? The facts are clear. I do not know if your Cabinet colleagues were aware of all this. However, Mr. Speaker, against this trend, the projected VAT revenue contained in the *Draft Estimates of Revenue* for 1996 computes at 5.5 per cent of GDP. The Review of the Economy shows clearly that VAT revenue has levelled off and can be reasonably tied to the overall economy, but with the economy forecasted to grow by 4.5 per cent, the VAT is forecasted to increase by \$519.1 million, or 41.5 per cent, a 41.5 per cent increase in VAT, with a 4.5 per cent expansion in economic activity if it materializes. You cannot expect me to have confidence in this budget, Mr. Speaker, I cannot.

In other words, the hon. Minister of Finance intends to rake and scrape approximately \$881.9 million more from individual taxpayers in 1996 than in 1995, that is \$362.5 million in direct taxation and \$519.1 million in VAT—\$2,050 for every employed person in Trinidad and Tobago. Even with the skills attributed to him by his Prime Minister, “Mr. Rake and Scrape” will be unable to achieve this target.

I turn now to the issue of cash payments to public servants as part settlement of outstanding arrears. On page 16 of his budget presentation, the Minister of Finance states, and I quote:

“We have made provisions under the Wages and Salaries Bill to meet some of the cost of arrears of remuneration to public sector employees, and anticipate that those public sector unions and associations that have not yet accepted the settlement package offered by Government will do so in early 1996. Government has made available the sum of \$90 million to be paid in cash as part of this package.”

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It is important that we understand the confusion that lurks beneath the surface of this proposal. First, let us refresh our minds on the genesis of this issue. The most dismal period in public sector industrial relations was manifest under the administration of the distinguished Member for Tobago East between 1986 and 1991 and, incidentally, the Member for Couva North. That was the period that witnessed the suspension of the cost of living allowance for public officers in February, 1987, the non-implementation of the award of the special tribunal relating to public service salaries and cost of living allowance. In addition, the NAR administration came to this Parliament to legislate retroactively, their unilateral, illegal and unconstitutional act of reducing public service pay by 10 per cent. There are many on the Government Benches today who were the architects of such outrageous industrial relations behaviour and who, today, are seeking to portray themselves to public servants as “knights in shining armour”—\$90 million of a debt of almost \$3 billion, which they created by cutting public servants' pay in 1987 and 1989.

In its first budget for fiscal year 1992, the PNM Government paid public servants their correct salaries beginning in March, 1992, thereafter, we engaged in negotiations to arrive at an acceptable approach to settling the arrears. Agreements were reached with the majority association representing the majority of their related workers. The agreements involved a range of mechanisms for the settlement of arrears and including among other things, a range of non-cash mechanisms, buy-out of increments, two-year transferable bonds with tax credits to be issued in five-year tranches and most importantly, all payments under the settlement will be tax free. The simplistic assertion by the Minister of Finance of a \$90 million provision for cash settlement does not answer a number of issues.

What is this Government's estimate of the size of the public service debt? How is the Government proposing to treat with the PSA's assertion that public officers be paid their correct salaries in 1996 as though increments had not been withheld? The Minister was painfully silent on this critical issue as he basked in the glow of the hoax.

11.00 a.m.

The legislation which gave effect to the agreements already reached with public sector associations did not include cash payments and therefore this cash payment will be subject to income tax. The real effect of this cash offer by the Government will be to give the average public servant \$1,000 before tax. We

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need to compare this with non-taxable bond tranches which have been averaging \$5,000 and whose transferability allows them to be negotiated at commercial banks thereby making their recipients much better off than this cash offer award. It sounds good, but it is not good. The Minister of Finance must provide much more detail on this provision.

Mr. Speaker, the promise to pay these moneys was first made as an after-thought, with no analysis, on a political platform and it is clear that the Minister's inclusion of this in the budget statement was also an after-thought, with no analysis, as it is not included in the Estimates of Expenditure. The Minister's presentation on this subject has raised more questions than it has provided answers or indeed money.

Simply to say, as the Minister has subsequently said, that the specifics will be worked out with the Chief Personnel Officer is to evade the issue. Precisely what the sum addresses is a policy decision, not a matter for the CPO at all. It is only on the basis of that decision that the specifics can be worked out. The CPO is being placed in an unenviable position. When things do not go right the CPO would be blamed and, of course, one knows what the consequences would be. It happened in 1988.

Mr. Speaker, the hon. Minister of Finance alluded to the fact that some 32 per cent of recurrent expenditure is consumed by public sector emoluments. Subsequently, the Minister, in addressing the San Juan Rotary Club over the weekend, said that a reduction was in the offing by retrenchment in the public service.

Hon. Member: He said that!

Mr. P. Manning: It was not put in the budget statement, it came out in the address to the rotary club. Obviously this is but one of the stings in the tail of this budget.

The Government needs to spell out clearly how it proposes to effect this reduction. Will it include retrenchment alone; retrenchment by attrition; voluntary separation; abolition of posts; reduction of working hours for daily-paid workers; withdrawal of allowances, salaries and wage cuts? How are they to do it? We would need to know.

In saying this, Mr. Speaker, I am acutely aware of the propensity of Members on the other side to cut wages and salaries and suspend allowances arbitrarily. Remember 1987 and 1989? One must not forget it.

The 1995 revised expenditure in personnel emoluments was \$2,701.5 million. The proposed expenditure in 1996 is \$2,847.4 million or an increase of \$145.9 million. Does the increase take into account the payment of increments in 1996; possible increases resulting from the job evaluation exercise taking place in the public service; possible inclusion and implementation of collective agreements with public sector unions, filling of vacant posts?

Mr. Speaker, quite apart from the \$23 million cut in the allocation for the Unemployment Relief Programme, it is clear that the Urban Renewal and Beautification Programme initiated by the PNM will now be abandoned. One only has to look at the headline in yesterday's newspaper to understand the new thinking with the scrapping of the National Library building and the announcement that all the other projects in the Port of Spain City Development Programme such as the National Centre for the Performing Arts will be scrapped. This brutal attack on urban development and renewal is not confined to Port of Spain since the Harris Promenade Beautification Project in San Fernando is also not provided for in the estimates.

Clearly, Mr. Speaker, this approach demonstrates that if this administration had been in power a few years ago we would not have had any Brian Lara Promenade, City Gate, Beetham Highway Beautification Programme; in fact, there would not have been any urban enhancement programme of any kind. Independence Square would still be a jungle of untidy wooden works and traffic congestion in downtown Port of Spain would have reached unimaginable heights.

The country is indeed fortunate that the PNM was able to complete the outstanding Brian Lara Promenade in 1995 so that at least our citizens can experience the standard of ambiance and beauty in the public areas of our capital city that they deserve. They, clearly, have little to look out for under this Government, and the people of San Fernando will now know that similar amenities will be denied them mainly because their representatives are now in Opposition and they have a government that just does not care about them.

Mr. Panday: Old time politics.

Mr. P. Manning: Could it be, Mr. Speaker, that because the nation's two cities are controlled by the PNM, they have decided to abandon all development

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programmes in our urban areas? Because the citizens of Port of Spain and San Fernando voted for the PNM, must they now suffer under this UNC/NAR coalition Government? What next?

Mr. Panday: Who is your leader?

Mr. P. Manning: With the de-emphasis on environmental awareness by this new administration, will our highways and byways become littered with unsightly shacks as highway vendors run riot along the road shoulders? What about the Queen's Park Savannah? What will happen to Port of Spain's pride and joy? These projects were critical for an enhanced tourism drive which the master plan indicates could create 45,000 jobs in 10 years. That is what the plan calls for.

I now turn, Mr. Speaker, to the Capital Development Programme. A strong capital development programme is essential to facilitate the growth process and to create and develop the physical infrastructure required for sustained economic activity. Because of the structural adjustment process and the need to balance expenditure with income, Trinidad and Tobago's capital programme has for some time been below the recommended levels, which has had adverse consequences on the condition and standard of the nation's infrastructure.

We in the PNM recognize that many of the public buildings, drainage systems, schools, health facilities, police stations and other public facilities are in urgent need of replacement and upgrading and, as a consequence, our capital programme over the period 1995—2000 would have resulted in the major rehabilitation of our main roads and highways, construction or extension of over 50 schools and major refurbishment of many other public buildings.

However, this new administration has seen it fit to cut the budgeted capital programme by over \$200 million from over \$1 billion in 1995 to just over \$800 million in 1996 or to a level below 3 per cent of GDP, which is well below the recommended threshold.

Quite apart from accelerating the deterioration of our physical infrastructure, this will have the negative effect of depressing construction activity and reducing income generation while increasing the levels of unemployment. The construction sector was earmarked by us to provide a significant number of jobs in 1996. This approach of the Government is truly shortsighted especially as they have also reduced capital spending.

In sharp contrast to the public utterances of the Minister of Finance about the need to control recurrent expenditure, the budget document shows a massive increase of over \$1,000 million in recurrent expenditure in 1996. What are we to make of all this? Increase recurrent, cut capital! How are we going to do it?

Mr. Speaker, let us now turn to Tobago. The level of expectation among Tobagonians must have been very high prior to the reading of the 1996 budget.

Miss Nicholson: Still very high!

Mr. P. Manning: Many of them had been convinced by those who should know better that between 1991 and 1995 they had been disadvantaged by the policies of a central government which, as they were told, did not like them. Consequently, they must have expected a vastly superior deal from this coalition government in which their two representatives were perceived to be playing highly critical roles. It is therefore instructive to compare what Tobagonians actually received from a government which allegedly did not like them and what they have been promised by the Government selected or created by their parliamentary representatives.

In a budget which plans to increase expenditure by over \$1,000 million, Tobago's allocation under the development programme has been reduced from \$43.8 million to \$42 million. I shall take a drink on that, Mr. Speaker.

11.10 a.m.

Mr. Speaker, between 1992 and 1995 the PNM Government concentrated heavily on the economic development of the country. During that period, however, several social programmes were started on a pilot basis. It was our intention, as stated in our manifesto, to provide new and additional resources to fund these programmes adequately as soon as the economy could have afforded it. Hence, our 1996 budget would have shown increased financing for our social programmes. Since the economy was on a sustainable growth path, increasing focus could have been directed to the social sector. The beneficiaries of these programmes are the youth, the aged and the unemployed, with special emphasis on female heads of households.

Let me restate the main elements of some of our social programmes. CARE—Community Action for Revival Empowerment: This Programme mobilizes the energies and other resources of the community—our own specialized projects enhancing the quality of life. RAPP—the Retirees/Adolescent Partnership Programme: In this Programme the skills, expertise and time of retired persons

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are utilized in the communities in which they live and function, mainly for the benefit of young people of Junior Secondary School age. The Export Centres Programme, Mr. Speaker, was introduced as part of the overall strategy to develop an export capability based on the utilization of local skills and indigenous raw materials, as well as an opportunity to provide employment for female heads of households.

The Geriatric/Adolescent Programme (GAP) focusing both on the youth and the elderly of the nation, seeking to encourage, on the part of the youth, service to the community and country by providing unemployed young men and women with skills and ability for working with the aged. The Relief Centres Programme, providing relief for the body, mind and soul, caters for the core of those in need in the community—the unemployed, the sick, those in need of counselling and those who may experience personal crisis from time to time. The Programme seeks to change despair and hopelessness into hope and empowerment. Mr. Speaker, these were all successfully piloted. It is indeed significant that the Geriatric/Adolescent Programme received an Express Award for 1995.

I turn now to Caroni (1975) Limited. Mr. Speaker, while the Minister of Finance was at pains to point out what he proposed to do about pool hall taxes and other nuisances, he was deafeningly silent on one of the major initiatives of his maiden presentation. In a budget which has seen the hammer fall on credit unions, the Unit Trust and the small homeowner who is struggling with a \$2,000 a month mortgage, we have seen the Minister of Finance finding an extra \$232 million from the Treasury to transfer to Caroni (1975) Limited without a single word of explanation as to what this money is to be used for by this state company.

Mr. Speaker, the hon. Minister of Finance has increased his subvention to Caroni from \$55 million in 1995 to \$287.9 million in 1996. [*Interruption*]

Hon. Member: And Tobago got how much?

Mr. P. Manning: This is a dramatic reversal of years of painstaking work by the PNM administration to wean Caroni (1975) Limited from the national Treasury and to put this company on a sound, stable, viable and profitable financial footing. Mr. Speaker, we are almost there. Actions taken by the PNM during the period 1992—1995 have resulted in Caroni (1975) Limited, today, being in the best shape this company has been since its establishment in 1975. [*Desk thumping*] Out of the blue, like a thief in the night, the Minister of Finance “rakes and scrapes” and comes up with \$232 million to present as a gift to Caroni

(1975) Limited. What is this money to be used for? What programmes exist at Caroni to demand this largesse? What new programmes are to be funded with this windfall at Caroni, Mr. Speaker? These questions require clear and definitive answers. We just do not know.

Is it the policy of this Government that it is now to be that Caroni (1975) Limited will, once again, become dependent on the Treasury for hundreds of millions of dollars of annual subvention in order to do its business? The PNM has demonstrated over the last four years that it is possible to increase sugar production, improve working conditions for employees, including increased pensions, obtain modern technology and pay off backpay at Caroni without this company being a drain on the Treasury. The Minister of Finance must tell this country why he is reversing this successful policy.

Mr. Speaker, I conclude as I started. I congratulate the hon. Minister of Finance on his first budget presentation and for his very encouraging opening lines which, I thought, provided a clear statement of intent to pursue responsible economic policies. The pledge that “Government will pursue an economic policy” (his words) “a climate conducive to investment both local and foreign” which is repeated five times in his 22-page budget statement must be the test against which one assesses the success or failure of his proposals.

After all, responsible management of the economy to ensure our fullest development as a world-class nation and enhancement of the quality of life of all our citizens has been a guiding principle of the PNM since its foundation 40 years ago. However, even if one agreed with all the measures in the 1996 budget—and we on this side certainly do not, Mr. Speaker—one has to be suspicious of the arithmetic. The figures certainly do not make sense. The revenue projections are not merely over-optimistic, they are simply unattainable.

The hon. Minister estimates his oil sector revenues at \$2,170 million, while the most optimistic projection of the experts is \$1,750 million; and a more likely figure is \$1,400 million. The non-oil revenues projection is off by, at least, \$400 million. Accordingly a revenue shortfall of at least, Mr. Speaker, at least, \$750 million is anticipated. The planned budget surplus of \$284 million projected by the Minister is illusory. In fact, a deficit of at least \$466 million is expected, and it is likely if he proceeds with this budget, to be considerably more. The financing of this level of deficit would crowd out private sector borrowers, drive up the inflation rate, will cause the currency to devalue, and eat away at our foreign reserves.

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The 1996 budget fails its own test miserably, Mr. Speaker. The fiscal surplus targeted by the Minister is based on wishful thinking. It certainly is not anchored on sound economic analysis. Alternatively, as we proceed further into 1996 and reality dawns, programmes will be abandoned or curtailed, employees will be retrenched and suppliers will experience difficulties in obtaining payments for goods and services supplied to the Government. The very growth figure of 4.5 per cent on which the Minister's revenue forecast is partly based, will prove to be an illusion. The consequences for economic well-being, especially unemployment, the exchange rate and the quality of life may be disastrous and compromise severely our quest for sustainable growth and job creation.

Mr. Speaker, this budget has the potential of reversing all the gains so painstakingly won over the last four years. It is a regret of significance that a government which has won the confidence of the population can so callously treat with the nation's finances.

Mr. Speaker, I would have liked to say much more, but the time allocated does not allow it. [*Interruption*]

Mr. Panday: No, no. you go ahead. I move that his time be extended.

Mr. P. Manning: My other colleagues will elaborate on some of the other issues or, alternatively, you could join us at Piggott's Corner tonight at 7.30, when we will be having a public meeting to discuss all the issues

I thank you.

11.20 a.m.

The Minister of Trade and Industry and Minister of Consumer Affairs (Hon. Mervyn Assam): Mr. Speaker, thank you for allowing me to make my contribution to this debate on a Bill to provide for the services of Trinidad and Tobago for the year ending December 31, 1996, and to congratulate my colleague, the Minister of Finance, for the presentation which he made last Wednesday, and to indicate my total support for the measures he introduced at that time.

I also want to thank my other colleagues in the Cabinet for the contributions they made towards the crafting of this document, although the hon. Leader of the Opposition did not seem to be consistent when he said that we did not participate, or if we did participate, we did not know what we were doing. I do not know which one it is.

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As I listened to the hon. Leader of the Opposition, he seemed to be placing much emphasis on what took place during the period he led his government and he placed little emphasis on a true analysis of the 1996 budget. In fact, I well remember when our Prime Minister used to be the Leader of the Opposition, one of the things that he did after critiquing the budget was to give recommendations and suggestions as to how his party would have proceeded to present a budget. I was very disappointed, and I am sure that the national community was equally disappointed when it listened to the hon. Leader of the Opposition attempt a critique but not give any specific recommendations as to how his party would have steered the financial course of this country in 1996.

He gave us a treatise with respect to the performance of his government, 1991—1995. I often wondered while he was making the presentation if he understood what he was saying. Because he was saying, in essence, how well they had performed; how well they had steered and managed this economy. Do you know that after all this effective management of the economy, the people rejected them in 1995? [*Desk thumping*]

It is an amazing manifestation of how people fool themselves. It is an amazing situation how people's ambitions exceed their abilities. It is even further amazing that the hon. Leader of the Opposition attempted to enter into the realm of economics, finance and accounting, and I am not too sure that that is his forte. Even in the area of geophysical and geotechnical analyses he seemed to have been very deficient, in terms of the flawed analyses that his administration made with some of the projects that they undertook.

Hon. Member: "Sprangalang."

Hon. M. Assam: I have no difficulty with being called "Sprangalang" because I am sure that he is part of the court jester retinue on that side.

To come back to the serious business before us, let us look at some of the key economic indicators between 1990 and 1995 so that we can expose the boast of the last administration in terms of how they managed the economy. I would just look at some very fundamental areas.

When they came to office in 1991, the exchange rate was TT\$4.25 to the US; when they left, it was TT\$5.99999. When they took over the Government in 1991, the rate of inflation was 3.8 per cent; in 1992 it went to 6.5 per cent; in 1993, 8.7 per cent; in 1994, 10.8 per cent. That is management of the economy!

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In 1991 when they took over the Government, the external debt was \$5.255 billion; in 1992 it went to \$6 billion. I see that the hon. Member for Diego Martin East seems not to like to listen to the truth, and we will expose that lack of quality in him as we proceed, when the Minister of Works and Transport makes his contribution in this honourable House.

From \$5.255 billion in the external debt of 1991, in 1992 it went to \$6 billion; in 1993 it went to \$9.454 billion and in 1994 it went to \$10.071 billion. That is management of the economy! And the hon. Leader of the Opposition is talking about world-class management by his administration.

He accuses the Minister of Finance of finagling, of fudging. In fact, he is saying that the projected surplus of \$284 million which is being used to cushion the enormity of the debt that we will face in 1997—a debt that we have inherited from his administration and through prudent financial management we are putting away some savings so that the whole burden will not fall on the population in 1997 and he accuses the Minister of Finance of fudging.

But look at their record in terms of the management of the public sector budget deficit. When they came into office in 1991, the deficit was a mere \$89 million. Although I am not suggesting that we should budget for a deficit, but I am saying in relative terms it was \$89 million. By 1992, that \$89 million deficit had jumped to \$776 million. Admittedly it started to decline and in 1993 it went to \$132 million; in 1994 it went to \$31 million, but in 1995 it jumped again to a \$150 million budget deficit.

He said that when they came into office in 1991, the net foreign reserves were a mere US\$3.4 million. He was right when he quoted that figure. But he failed to tell this honourable House that in 1992 it went into deficit. We had a negative net foreign reserves of US\$36.7 million under his leadership and under his administration's so-called management of the economy.

In terms of GDP, in 1990, it was \$16.1 billion; in 1991 it went to \$16.5 billion; in 1992 it fell under the astute management of the PNM to \$16.28 billion and it further fell in 1993 to \$16.023 billion. This is leadership at work! This is the astute management of the economy which he talks about.

Mr. Speaker: Hon. Members, I am sure that you are appreciating that there is a deterioration of the order during the contribution of the Member for St. Joseph. I do not think it is necessary. We will all have a say.

Hon. M. Assam: Thank you, Mr. Speaker. I am not too sure I needed the protection but I am very appreciative of your intervention.

The hon. Leader of the Opposition claimed that this was a bad budget and the review of this budget was unfavourable. This budget has been hailed as a people's budget. This budget has been termed a developmental budget and this budget has been given extremely favourable review, not only by the man-in-the-street, but by the investing, manufacturing and trading community.

11.30 a.m.

Here are some of the comments that I would like to write into the records of this House in order to ensure that the presentation of the hon. Leader of the Opposition does not, in any way, obfuscate some of the wonderful comments associated with this budget. This is not any kind of propaganda. This was produced by Price Waterhouse. I also have a memorandum from the Trinidad and Tobago Manufacturers' Association which was presented to me by its president.

TTMA's response to the 1996 national budget delivered by the Minister of Finance states:

“The TTMA is pleased to see a budget surplus...”

We note the lowering of taxes is resulting in greater voluntary compliance as was the case in 1995 and we expect the lowering of taxes in 1996 would continue this trend.”

The Leader of the Opposition, in his naivete, wondered how one could lower taxes and increase the volume collected. It is a very simple matter. When one lowers taxes, people are less likely to evade or avoid taxes. It is very similar to the principle of profit. If one marks up less on one's items, one is likely to sell more and the absolute volume of profit is likely to increase. The principle is the same.

The memorandum continues:

“The TTMA is pleased with the increase in the level of tax exemption to \$20,000 and the increase in the minimum revenue level...”

The Leader of the Opposition said that businessmen would be harmed or go out of business, on the one hand, and he contradicted himself when he said that they would pass on the increased cost to consumers on the other hand.

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I do not understand what position he is taking. That is why, at an earlier date in this House, I mentioned that Members on that side seem to lack logic. On the one hand they are saying that businesses would go out of business because of the threshold being increased, and they are saying on the other hand that the businessmen would pass on the increase to the consumers.

Here the TTMA, the body that represents all manufacturers and business people in this country, is saying that they are—

“...pleased with the increase in the level of tax exemption to \$20,000 and the increase in the minimum revenue level for VAT registration purposes...”

It goes on—

“The TTMA is happy to see that there was an acknowledgement of the inequity of Business Levy...”

Because of that, they are happy that the Minister of Finance decreased the business levy by 25 per cent.

Again, the TTMA is happy to see the extension of the provision for tax-free construction for rental which this last administration was going to bring to a halt on December 31, 1995. In the wisdom of this Government and the sagacity of the Minister of Finance, he has extended the period beyond December 31, 1995 to continue the stimulation of the construction sector so that more jobs will be created. *[Interruption]* The Member can ask Mr. Humphrey if he wishes.

The TTMA is also very happy with respect to the reduction in duties on motor vehicles since a car is no longer a luxury but a necessity. The Minister of Finance was correct in discouraging the abuse of the returning residents facility—something that the last administration introduced—which created hundreds of millions of dollars leakage in the tax system, and the Leader of the Opposition is asking where would the Government get the additional revenue. *[Interruption]* Over the period of time. *[Interruption]* If it had continued, there would have been hundreds of millions of dollars in leakage. The TTMA is very happy about the extension of shop hours because they say it would encourage employment and expand business activity, although at the same time, they are saying that they hope the labour laws would be respected.

It goes on:

“We welcome the payment of arrears to public servants and the responsible manner in which the payment was approached and hope that it continues.”

Dr. Rowley: Who wrote that?

Hon. M. Assam: The TTMA. If the Member wants a copy of it he can have it. It is also contained in here.

“We applaud the distribution by Government of 9,000 acres of State and Caroni lands to farmers and hope that it would be transparent and equitable. We are pleased with the \$332m expenditure on social programmes and this shows the commitment of government to maintaining the social fabric.”

Finally, it says that it is pleased with the standardization of textbooks because it would reduce the cost of education to the population in general.

“A meaningful and growing investment in education is a commitment to the development of the economy.”

A sore issue which has bedevilled this country for years and all kinds of unfortunate situations have developed over the last few years as a consequence of the non-standardization of textbooks in addition to the punitive costs of textbooks on the poor and unsuspecting population.

The American Chamber of Commerce has also given us favourable comments with respect to the promotion of investment—something that the Leader of the Opposition seems to eschew in his presentation, that this budget is going to create inflation that would remove investor confidence and would do all kinds of damage and injury to the economy. The American Chamber of Commerce, which is an organization that has been responsible for attracting inward investment into this country, says that the budget would continue to promote investment and free trade and at the same time the budget encompasses fiscal austerity measures; and the Leader of the Opposition says that the Minister of Finance engaged in profligacy—a very strong word, Mr. Speaker.

I was wondering if the hon. Leader of the Opposition understood what was the meaning of the word “profligacy”. Profligacy, in my opinion, seems to suggest that the investment that was made in the La Brea Industrial Estate was profligacy; the over \$2 million that was spent on the trip to Hong Kong that has yielded not one benefit to this country is profligacy; the chartered plane to Haiti

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where he took hundreds of people to spree, wine and dine is profligacy. This Government is being accused of profligacy because it has engaged in responsible financial management after having been in office for only six to eight weeks, and the Leader of the Opposition accuses us of deceit.

Does the Leader of the Opposition know what is deceit? This book, *In Defence of the People's Interest*, this is the greatest piece of deceit ever perpetrated on the people of this country by the Member for Diego Martin Central and, unfortunately, by the late Member for Laventille West. That book is deceitful because it promised not a job would be lost; no privatization; no divestment and all the other high-sounding propaganda when they were in Opposition and no sooner they became Government they proceeded to unleash the most damaging economic programmes and policies that have caused them to return to the Opposition today.

11.40 a.m.

I was quite amazed that the Leader of the Opposition, in attempting to criticize the budget, used all kinds of slogans and phrases which, I am sure, are not becoming of a former Prime Minister or even a Leader of Opposition. He seemed to have been stuck on words like fluffy and cockset, monopoly money and such matters as one would expect from somebody in primary school. Maybe, he has not left there yet in terms of his politics, or he has not yet learned in the years he has been in the Parliament.

If he had read the budget statement carefully, he would have seen a certain logic to the budget statement; he would have seen that it was crafted on a philosophical position. This philosophical position means that the Government of the UNC/NAR is committed to the developmental process of this country and to sustainable growth, taking into account the stability of the exchange rate, holding inflation down and creating employment, particularly in the non-oil sectors. But, alas, he could not see it, simply because he was so intent on giving us the impression that his Government had performed so well, and that the new Minister of Finance and the new Cabinet are all neophytes and incapable of bringing together a budget that made sense and that would be able to provide for the well-being of the people of Trinidad and Tobago.

Mr. Speaker, some of the issues raised by the hon. Member with respect to the removal of certain tax benefits, I would leave to the hon. Minister of Finance to respond. The issue of the payment of arrears to public servants, I leave that to the

Minister of Public Administration and Information. The issue of Caroni (1975) Limited, which he seems to use as some kind of whipping horse, I would leave to the hon. Minister of Agriculture, Land and Marine Resources to deal with in greater detail.

In terms of attempting to give the people of this country and the Parliament the impression that the figures contained in the budget are not realizable and that they were as a result of merely pulling figures out of the hat, I remind him that his Government had to come back to this Parliament on a number of occasions to change the price of oil that was so optimistically and highly overrated during a particular fiscal period. They had to come back and revise it, I think, twice. They have had to come to Parliament many times with Variations of the Appropriation Bill because of poor budgeting. Because of all these experiences that they have had, they believe this Government and this Minister of Finance would be as incompetent as themselves and would be coming back to do the same as they did. I think we are going to have some surprises for them.

In terms of my ministry I wear two hats. I am both the Minister of Trade and Industry and Minister of Consumer Affairs. Some people seem to think that there is conflict between the Ministry of Consumer Affairs and the Ministry of Trade and Industry. I would like to say that anyone who thinks that way is making an error, in that I feel the two ministries complement each other.

On the one hand, we are trying to protect the consumers' interest by ensuring manufacturers produce goods and services of a high quality, on a sustainable basis and at competitive and affordable prices. To me, if one has a consuming public that is sufficiently vocal and where the concept of consumer sovereignty is very well known, manufacturers will produce goods and services of the highest quality, at affordable prices that will not only make them competitive in the local markets but will also make them competitive in the export markets.

I see the Ministry of Consumer Affairs as being a kind of catalyst and motivator for the Ministry of Trade and Industry. Therefore, we are going to pitch our emphasis in the three areas; the commercial sector providing safe products at reasonable prices, using environmentally friendly processes, ensuring proper information dissemination about products and processes and providing redress to the aggrieved consumer.

We want to educate the consumer in solidarity with each other, making wise choices and supporting those in need. We are also going to look at the

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Government's role in all of this, ensuring the quality of goods and services, enabling fair and transparent market processes, educating and informing the consumer with our outreach programmes.

To this end, in March 1996 we are going to be holding a Food Security and Nutrition Symposium—a Consumer's Perspective. We are going to be targeting people, not only in the lower income group, but also people in the higher income group so that the conspicuous consumption associated with this group can be moderated, and by extension we would not have the effect of that kind of conspicuous consumption driving prices up in the society. We are going to be speaking to all groups.

We are also going to be looking at some of the pieces of legislation that have been in abeyance for some time; one of which is the Weights, Measures and Metrology Bill which has been languishing for some time. It is very important for this Bill to be brought to the Parliament as it seeks to extend the scope of the law related to weights and measures by encompassing various types of measurement. We will also be looking at introducing into Trinidad and Tobago before long, the modified and internationally accepted form of the metric system known as the International System of Units.

We would also be looking at the current legislation to see how it can be enforced, because many people in the society believe that the Ministry of Consumer Affairs is not using its teeth by enforcing the existing legislation on the books. Therefore, as soon as we bring a legal officer on board, we are going to test some of these pieces of legislation in order to ensure that the consumer gets his due and to send a signal to any offending businessman that the country's laws must be respected in the interest of the consuming public.

I now turn to the Ministry of Trade and Industry. The non-oil sector is the main focus of the Ministry of Trade and Industry. I am not going to enter into the realm of energy and energy-related industry. My colleague, the Minister of Energy and Energy Industries will be dealing with that.

At the risk of being simplistic, I would indicate my concept of what trade and industry is all about, because some of us believe that health, sport, culture, agriculture, housing and the public utilities are not ministries. Every activity of Government must be regarded as a business and must be run on business lines. It must be run in such a way as to take into account always the national objectives, and the enhancement of the quality of life.

As I have told the officers, whom I thank very much for the support they have given me during the two months I have assumed office, every ministry must become a delivery ministry. [*Desk thumping*] We must be customer-focused, customer-oriented, delivering goods and services in a manner befitting the public service. That is why public service reorientation must continue in a manner that would benefit the public service and the community as a whole, in the best possible manner.

The non-oil sector has been performing reasonably well but it can perform better. A number of years ago a very important study was undertaken. That study is called the *Report of a Committee to Examine Export Development in the Non-Oil Sector*. Precious little has been done about this report. One of the few things that had been implemented was the establishment of the Export Development Corporation which has since been somewhat disbanded and subsumed under TIDCO. If some of the very fundamental matters in this report had been implemented, the non-oil sector would have gone much further in terms of its export capabilities in bringing greater revenue, and by extension, foreign exchange to Trinidad and Tobago.

One of the areas that we feel some emphasis should be placed in 1996 and beyond is to correct some of the deficiencies in this export promotion sector such as the lack of commercial representation overseas. I am sure the Minister of Foreign Affairs is going to bring us up-to-date on what his ministry is going to do with respect to commercial representation overseas, and using the foreign missions to be re-oriented into the trade and investment mode, as the hon. Prime Minister said when he visited England quite recently.

11.50 a.m.

On the question of inadequate transportation facilities, I am sure the Minister of Works and Transport will inform us, through the air travel system, about what will be done to deal with this deficiency. In the area of insufficient export financing facility, Trinidad and Tobago Export Credit Insurance Company (EXCICO) should have been moving towards the creation of an Exim bank and in turn getting co-insurance and reinsurance to insure those marginal transactions. These are some of the areas which must be pursued with vigour in 1996.

Furthermore, we must get involved in the identification of market areas and other groups with potential for exports. These are some of the areas that must be

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addressed. TIDCO will be one of the more important institutions in bringing some of these mechanisms to fruition in 1996 and beyond.

We are in the process of completing an industrial policy which we hope to take to Cabinet for consideration and final approval before we bring it to Parliament. We have a vision in the Ministry to develop Trinidad and Tobago, by appropriate government action and extensive involvement of the private sector, into the commercial and industrial centre for the region through the creation of a dynamic, vibrant and diversified non-oil business sector, fully capable of meeting the challenges of the global economic environment of the 21st Century, creating sustainable employment and an enhanced quality of life for all.

Therefore, the developmental objectives of the Ministry of Trade and Industry are very compatible with the economic objectives enunciated by the Minister of Finance in his budget statement, that is, the attainment of sustained economic growth, the generation of meaningful employment opportunities, the attainment of balanced growth and development through the establishment of enterprise zones in non-traditional areas.

This is a fundamental departure from the past where emphasis has been placed almost exclusively on the development of the energy sector, which is capital intensive, and very few jobs have been created in that sector. In the building stage there might be about 700 temporary jobs but when it is finally completed, in most of the energy sector projects, there might be about 125 jobs.

The sector that will create the jobs in this country are the non-oil sectors. We must now redress the imbalance and have a new approach to balanced, integrated development, whereby the hitherto depressed areas must now become important areas of industrial development and expansion. Places like Laventille, Matelot, Guayaguayare, Icacos, Cedros, Oropouche and Siparia which are lacking in development must come into the mainstream of national life thereby giving hope to the people of this country, that our motto is really one that works in the interest of everybody where every creed and race will find an equal place.

At the Cabinet I mentioned enterprise zones in Tobago. This is very important particularly in the area of informatics, agro processing and the entertainment industry. These are some of the areas that we hope to pursue in 1996 and beyond. By so doing we intend to improve the country's investment climate, notwithstanding the negative remarks and responses of the hon. Leader of the Opposition. We intend to continue to improve the country's investment,

particularly in the non-oil sector and the encouragement of increased levels of foreign and domestic investment in a proper matrix of not only fiscal incentives but also other incentives which we will announce to the nation before long. By so doing we will increase the export earning and the country's foreign exchange reserves from the non-oil sector.

We also have an investment policy that is going to be looked at in terms of the Small Business Development Company and the Tourism and Industrial Development Company. Small businesses have not really taken off in this country. They have had high mortality in this country because they have to compete with the same areas of finance at the same interest level as big business. We have to hone and fashion financial instruments and mechanisms in order to facilitate the development, growth and sustained viability of small businesses. Therefore, we are going to look at new ways of dealing with this. I hope that the Venture Capital Act will become operational and the financial and commercial sector will be more disposed to look at some kind of window that would facilitate the growth and development of the small business sector.

I also hope that we will have a new orientation in what we consider to be small business. Too often we consider papaw balls, benne balls and toolum only as small business. Small business must encompass entertainment, tourism, garments the service sector. Everything must now be brought under the umbrella of small business.

Concomitant with all these developments is the human resource development side of it. It is critical that we develop a human resource platform and a cadre of well qualified people to deal with the imperatives of the 21st Century in terms of the development of business, attraction of investment and the creation of that kind of climate that would propel us into the 21st Century and a secure economic footing to generate the kinds of jobs and surpluses to keep inflation in check and to ensure that the exchange rate remains stable and strong.

Therefore, we will be working in close conjunction with the Ministry of Education, the Ministry of Labour and Co-operatives and all the other institutions and organizations, including the non-governmental organizations, that will be playing a very important role in bringing to being all these various plans and programmes.

We also have to provide an institutional and regulatory framework and environment, therefore, we will be bringing a legal officer on board. Our legal

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officer left us and is now a Member of Parliament. He has to be replaced now. He left the ministry to go to the Opposition. We need a legal officer on board who will put things together in order to move forward.

Hon. Members will remember that not too long ago I had brought a statement to this Parliament whereby the Anti-Dumping and Countervailing Duties Protection Act was promulgated. This has now been proclaimed. An anti-dumping unit is now being established in the Ministry of Trade and Industry which will be a very important unit to protect the interests of the manufacturing and business community from unfair practices. Before long we will have to look at competition policy, the behaviour of cartels and monopolies. I think the Minister of Finance signalled in his budget speech that we may have to bring anti monopoly legislation so that cartel behaviour would be reduced and eliminated. Many people believe that cartels are just about numbers. You can have a cartel of one or two or three or five. It is the behaviour of the body that we are worried about and not the numbers. *[Interruption]* The former Minister of Trade and Industry, the Member for Diego Martin Central, does not understand many things.

We need to have the regulatory environment so that we would have a system for neutral treatment of foreign investment; the protection of intellectual property rights and the elimination of disincentives to investment, which is going to be looked at very seriously. The report of the study that has been undertaken by TIDCO with FIAS and the World Bank is about to be completed and we will look at it very seriously to see in what ways there are disincentives to investment. Although there was a report by Price Waterhouse a couple of years ago that identified some of these disincentives, this report would go into greater detail and depth and provide us with the kind of information that would help us to perhaps revise the Direct Foreign Investment Act which is now on the law books of this country.

12.00 noon

The Minister of Trade and Industry will collaborate closely with the private sector and labour on the formulation of all these policies in order to pursue our election promise that we will govern this country by consensus.

Employment creation is one of the most important and pressing issues in this country. The Leader of the Opposition said that they managed the economy well and he was giving us a lesson in economic management. I am sorry that he has left the Chamber. Just before that Government went out of office, a former

Minister of Social Services had a report produced in her Ministry, which stated that over 33 per cent of persons living in Trinidad and Tobago were living below the poverty line. That is world-class management on the part of the PNM. After being in office for 30 years and after being given five years more, which they did not take up, when they left office, the level of poverty had increased to over 33 per cent. Do you know what that means, Mr. Speaker? People cannot afford to buy food, clothing, medicine, shelter and the basic amenities for dignified, civilized living. That is the administration which boasts about astute management of the economy. *[Interruption]* I know that! I hope when the Minister of Works starts to quote figures, he will be able to defend them.

So, employment creation is a quintessential goal of this Government and we will pursue it with vigour in order to create the required number of jobs. There are many young people between the ages of 15 and 19, and I was astounded recently at a meeting when the Minister of Sport and Youth Affairs told us that 55 per cent of young girls between the ages 15 and 19 were unemployed; 38 per cent of young boys of those ages were unemployed. The level of unemployment in this country is creating havoc in the society. There are all kinds of anti-social behaviour. There is an extension of crime due to drug peddling and drug use and other kinds of anti-social behaviour which the last government failed to tackle; in fact, all these things arose during their administration, whether drug addiction, drug peddling or crime—everything increased astronomically, in fact some people say, exponentially, during that administration. This Government intends to tackle it and the Minister of National Security, when he makes his presentation will tell Members about the holistic approach he intends to use to tackle crime and other kinds of anti-social and deviant behaviour in the society. So, employment creation will be a fundamental plan on which this Government will be in power until 2015 at least.

Regional development is another area about which we will be very concerned. As I said before, there are too many lagging areas and therefore we need to develop, not only the enterprise zones which I mentioned earlier, but the physical infrastructure, including factory sites and support services for this kind of development. We are hoping that the people in these areas would be employed. Every industry which is established in these enterprise zones must have a training component to ensure that they do not import labour but that they utilize the labour in that particular area to provide gainful employment to the people in that area giving them dignity and self-esteem which is so important to carry this country forward.

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Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Hon. M. Assam: Mr. Speaker, I thank the Member who proposed the extension, and the House in general for giving me an extra few minutes. I will not take all of it.

In terms of trade policy, which is an important component of the Ministry of Trade and Industry, we are saying that Trinidad and Tobago faces the challenge of operating in a rapidly changing international economic environment, characterized by an open-rule based multilateral trading system formalized in the Marrakesh Agreement. This new scenario has necessitated the introduction of radical reform in trade and economic policies by all national governments. To this extent, we will be involved in pursuing the establishment of bilateral trade treaties and bilateral investment treaties, continuing on the question of double taxation treaties, particularly with our neighbours in Latin America. We have only partial scope agreements with Venezuela and Colombia. We want full-scale bilateral treaties with Colombia, Venezuela, Peru, Uruguay, Bolivia, Argentina, Chile and Mexico, and we will pursue this with vigour in 1996 and beyond.

The Ambassador for Trade in the Ministry of Trade and Industry will be very busy in 1996 working on all these projects and on a continuing programme of bilateral trade agreements for the Ministry of Trade and Industry and, by extension, the Government of Trinidad and Tobago.

We have already drafted a model free trade agreement which we hope the members of Caricom will accept. We have already had feedback from a number of them. I have written to those from whom we have not had a feedback. We hope to get feedback from most of them because we intend to put it as a substantive item on the agenda when we go to the Caricom Council meeting in Guyana in February 1996. We hope to overcome that hurdle which will then enable us to go securely to negotiate the bilateral agreements in full concordance with our partners in Caricom, for whom we have the greatest respect and with whom we want to deepen our relationship to ensure that Caricom is a very important part of the trading perspective of Trinidad and Tobago.

We are also moving with great vigour because we have attended all the meetings since the Meeting of Ministers in Denver, Colorado. We have been

meeting in various parts of Latin America to carry the process forward so that the dream of establishing the free trade of the Americas in the year 2005 could be realised. The Ministry of Trade and Industry and TIDCO are very active participants honing out policies, developing draft agreements, researching all the statistical data and bases required to push that movement and that process forward. I think we are poised to take Trinidad and Tobago into the 21st Century. I have no doubt that we have a capable team in the UNC/NAR Government.

They talk about coalition and they jeer the whole concept, but the national community should know that on the night of the elections, when the result was 17:17:2, people like the hon. Member for Diego Martin East and the hon. Member for Port of Spain North/St. Ann's West were crawling towards the Minister Extraordinaire to form the very coalition that they are now pooh-poohing and jeering at. I understand that the General Council of that party mandated the leader to seek audience with Mr. Robinson, the Member for Tobago East, so that they could continue in government by hook or by crook. They are jeering at this coalition, but they wanted to be the coalition government. It is an amazing attitude and characteristic of the PNM. What they want for themselves they do not want for other people, that is why the people threw them out lock, stock and barrel. They felt that they could govern the people from Parliament and the Twin Towers. It is only recently that I heard the former Prime Minister say *mea culpa, mea culpa, mea maxima culpa*; I was governing too much and neglected my party as a result. This Government of the UNC/NAR will not neglect the people. We will be going to the people over and over to ensure that our mandate is fulfilled at all times.

12.10 p.m.

In the area of trade facilitation, my ministry intends to proceed to implement something that has been languishing for several years, the export technical assistance facility, which is a facility given to us by the World Bank whereby we can help exporters in identifying markets, in market research, providing them with their travel, developing new products so that Trinidad and Tobago could become a wider export platform for our goods and services. That is going to be put in place very shortly and TIDCO will be the administering agency for this particular facility. We are also going to place greater emphasis on EXCICO in their move to become an exim bank.

We must have safeguard mechanisms, and therefore the safeguard mechanisms that had been ignored by the last Government for several years will

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now take root and shape in the Ministry of Trade and Industry, so that no unfair competition and no manufacturer or exporter in this country will be operating in a playing field that is not level, and the consumers of this country will get the best possible, highest quality goods and services that would be administered and overseered by the Bureau of Standards. The Bureau of Standards will be playing an increasingly important role in the implementation of safeguard mechanisms and the anti-dumping regime.

It was a great honour for me to have participated in my first budget debate in this honourable House. It has been a greater honour for me to support my colleague, the Minister of Finance. It is the greatest honour for me to have been a part of the deliberations to have brought this budget statement and these sets of policies based on philosophical underpinnings, Mr. Speaker, not as the PNM who has been accused of having lost its moorings and ideational foundation. This Government will continue to be a Government of the people.

Before I take my seat, I will read a quotation from a book by Anwar Sadat, a man of peace who took risks in attempting to forge a peace treaty between Israel and Egypt for which he lost his life.

In addressing the Parliament on that occasion—not in any way intending to give the impression that I am Anwar Sadat, but I think the words are very important in terms of the vision, the ideas, the hopes and aspirations which we have for the people of Trinidad and Tobago under the most astute, caring and dynamic leadership of the hon. Prime Minister, Mr. Basdeo Panday—[*Desk thumping*] That is what we are putting into being now. I quote:

“There are days in the lives of nations which cannot be measured in units of time, but are measured in terms of the horizons they open up, the hopes they present, the ideas they inspire and the resolutions they inflame. They are by nature but rare days which occur to the one nation once every so many years. The nations worthy of progress and prosperity are those which know how to seize the opportunity in order to forge ahead along the path opened to them to transform—by their action—fluttering hope into a live reality, to create of their glory glittering pages in the history of mankind, and not to leave it a brightly flashing moment without future...”

I thank you, Mr. Speaker.

Mr. Speaker: Would anyone else like to speak?

Mr. Valley: Mr. Speaker, in a budget debate there is normally consultation between the Leader of the House and the Chief Whip with respect to speaking order. I have just had some consultations with the Chief Whip and given the number of speakers that he is putting today, if the debate is going to continue, right now the Government is supposed to put in the next speaker.

Mr. Speaker: May I draw to the notice of the Member for Diego Martin Central that Standing Order No. 94 states very clearly:

“Agreement between both sides of the House

Where agreement has been reached by leave of the Speaker between the Leader of the House and the Leader of the Opposition with regard to the transaction of any of the business of the House for any sitting or period, such agreement shall be announced in the House by the Speaker, and the Speaker shall, the provisions of these Standing Orders notwithstanding, conduct such business in accordance with the terms of the said agreement.”

I have not been favoured with the courtesy of being told that there was any agreement. In the circumstances, I call on someone from the Opposition Benches to speak.

Mr. Martin Joseph (*St. Ann's East*): Mr. Speaker, I, too, would like to join in complimenting the hon. Minister of Finance on his maiden budget statement to this honourable House.

I propose in my presentation to focus on the social development issues of the budget statement. In doing so, I commence by both asking questions and seeking clarification on a number of issues and statements made by the hon. Minister of Finance in an attempt to get a better insight and understanding of the Government's social development policies and programmes.

The Minister of Finance, in his budget statement said, and I quote:

“Although numerous social programmes are available to the poor, the benefits from these programmes have been limited. These programmes have suffered from the absence of an effective policy framework. There is no co-ordinating lead agency. Administrative costs are exorbitant. Targeting has been inappropriate and there have been significant duplication and gaps in coverage. Government proposes to address the issue of an efficient social programme in its entirety in 1996.”

Mr. Speaker, my first points of clarification are:

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1. What is meant by “benefits have been limited”? If, in their opinion they have been, what provisions have been made in this budget to increase these benefits and in which areas?
2. Where is the evidence to suggest that there is a lack of effective policy framework?
3. Is it the intention of the Government to establish a co-ordinating lead agency? If so, what functions would be given to this agency? What shape will it take? How will this differ from existing structures presently in place?
4. What specific targets are expected as the Government addresses the issue of an efficient social programme in its entirety in 1996?
5. How is the targeting inappropriate? Who are the current beneficiaries? Who are the new beneficiaries the Minister of Finance hopes to target?

The hon. Minister further stated and I quote:

“...Government will place an increased focus on those areas of policy that will drive towards a system of economic and social equity that addresses the needs and aspirations of all our people.”

Mr. Speaker, precisely what is meant by economic and social equity? Could the Minister identify in specific terms, which areas of policy will promote the said economic and social equity?

12.20 p.m.

Mr. Speaker, when the Members of the Government occupied this side of the honourable House they were quite vocal in their attacks on the previous Government's policies and programmes in the area of social development. They said that whenever they formed the Government they would do the following specifically in the areas of old age pension: raise the qualification ceiling from \$5,000 per year to \$12,000 per year; raise the quantum from the existing \$366.15 to \$500.00 per month; reduce the age limit for eligibility to these benefits. The budget statement delivered to this honourable House has been remarkably silent on that score. Mr. Speaker, has the former Opposition, now temporarily in Government, changed its stance on these matters, and if so, would they explain to the nation, why?

When we demitted office the reforms required to ensure that the Ministry of Social Development provided efficient and effective services to its targeted

population were well advanced. We were able to ensure that that ministry provided a network of social services delivered largely through social welfare, probation, family services, alcohol and drug abuse prevention divisions. We had already embarked on programmes for the protection of the socially disadvantaged—these were being pursued through the establishment of a committee on social rehabilitation; the establishment of an action-oriented committee on social displacement; the establishment of day care centres; training of care givers for the day care centres. We had also pursued the integration of persons with disabilities, a policy statement on persons with disabilities was completed and the Ministry of Social Development was in the process of liaising with several agencies to develop an operational plan for the implementation.

In terms of social assistance we had ensured that some 6,000 old age pensioners were in receipt of an increase in food subsidy of \$17.50 per month. We had introduced a system of life certificate to reduce the problem of leakage as it related to the dispensation of this particular programme.

In terms of public assistance, between 1992 and 1995 some 25,000 persons benefited from this measure. A rehabilitation programme for welfare recipients and other needy persons came into effect in 1993; a Social Help and Rehabilitation Efforts (SHARE) Programme was also introduced to assist in the organizing of meals and hampers to those needy persons who did not qualify for old age pension or social assistance. The funding programme was handled through 16 voluntary organizations, and between 1993 and 1995 some 14,000 families benefited.

We had also focused on child and family services within an area of development of a national plan of action for the survival, protection and development of children. We had embarked on the renovations to the St. Michael's Home for Boys; we had effected repairs and refurbishment of the St. Jude's Home for Girls, the St. Mary's Children's Home and the St. Dominic's Children's Home. We have instituted training for all staff engaged in the dispensation of social services. Between 1992 and 1995 some \$10 million in assistance had been provided in the form of subventions to voluntary organizations which provided social services.

In the area of drug abuse we had also embarked on the streamlining of those programmes, we had also engaged consultants to look at streamlining the various agencies, both governmental and non-governmental, that were providing social services.

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Mr. Speaker, the Minister in his presentation also went on to say, and I quote:

"The delivery of social services will benefit from our efforts to establish an integrated and co-ordinated approach to such services among the Ministry of Social Development and those government and non-government agencies which are currently engaged in the many diverse delivery mechanisms. The objective is to bring all these units under one common organization."

Mr. Speaker, I wonder who the hon. Minister is referring to when he says "our", because it is the PNM, as I just articulated, that established an integrated co-ordinated approach to the provision and delivery of the services to which he referred, and as I said those mechanisms were already in place to deliver the services.

The Minister went on to state, and I quote:

"The actual form of this Organization will be the subject of consultation and consensus of the many groups and agencies involved in the delivery of these services."

I am forced to wonder again, what is to be done with the existing mechanisms already in place. It was already agreed that the Ministry of Social Development will remain responsible for policy formulation and direction and as an overseeing body. So I am forced to ask and wonder, given the fact that these mechanisms are already in place and mention has been made by the hon. Minister of the establishment of this new agency, what is going to happen to that already in existence.

Mr. Speaker, during the PNM administration we had sought to change the focus of social development and the delivery of social services away from the mind-set or the concept that these agencies were largely responsible for handouts, and shift that focus into an area where these agencies saw themselves as providing short-term relief, with the long-term objective being to rehabilitate.

Mr. Speaker, we are aware that this whole debate of social development and social services is engaging the attention of countries throughout the world. We are well aware of the United States Government, finding itself in a position with respect to the relationship between social services and the cost of providing such, and what that does to one's whole budgetary concern—for example, Sweden, Norway, England, you name it. So that it is absolutely critical that some balance be found between economic and social development, and it is in that regard that I

join with my previous leader, and I am sure people are going to follow me in querying the reality—*[Interruption] [Laughter]* Mr. Speaker, I am saying that this debate is taking place worldwide and it is absolutely critical that the whole question about the economic and the social development be integrated and be seen, so that if the basis of the economic growth and development is unrealistic and unreal, its consequences on the social development issues are absolutely important.

Mr. Speaker: Hon. Members, this may be a convenient point at which the House can now be suspended for lunch until 2.00 p.m.

12.30 p.m.: *Sitting suspended.*

2.00 p.m.: *Sitting resumed.*

Mr. M. Joseph: Mr. Speaker, I was making the point that the question of the Government's economic policies take on a certain amount of significance in the open issue of the social development policies and programmes. I was indicating that there was this unique relationship between the whole issue of the provision of those social development services and the ability of the Government, through its revenues, to support such services. I had indicated that we are no different with respect to the debate that is also currently taking place in our society, and that that debate centres around the fact that we are seeing economic growth in some countries, without the necessary reduction in levels of unemployment. You will recall, that it is on recognition of that, that the PNM Government focused heavily on the whole issue of construction, small business and tourism as areas in which we are able to have reductions in levels of unemployment to deal with that international phenomena. As I said, this is taking place where there is growth without the corresponding increases in the levels of employment.

The reason I am concerned also with the economics, as it relates specifically to the social development issue, is for a couple of reasons. The first reason is that social development or social security issues ought not to be seen as a programme designed to give handouts. It must be seen as a short-term mechanism to deal with those persons in the society who, for whatever reasons, find themselves unable to take care of themselves, and as a result, programmes must be put in place to assist in putting them back on their feet, so to speak, in the shortest possible time.

As a result of that, if that is to be achieved, one has to focus on training and retraining. It is absolutely necessary that job agencies exist where you can match those persons' skills, competence and capabilities with the jobs. It also means that

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we must be in a position to determine where the jobs are going to be, say one, two, or three years down the road and how do we make sure that we could upscale those individuals so that they become employable so that there is the trade-off. One has to provide short-term assistance, because if that is not provided the possibilities over the long run, not relying on those social services, will never be realized. As a result, the so-called welfare roles will become larger and larger and drain a larger part of the budget resulting in economic growth of the society being compromised as a whole. That is the issue and the reason for the concern.

We must also be mindful, Mr. Speaker, that there are persons in our society who will always have to rely on the Government for assistance because of disabilities, because of their age, they cannot go out there and get extra jobs, they are retired and so forth. It is important that the Government's assistance matches increases in the cost of living, because one of the things we want to ensure is that those persons live dignified lives in their twilight days. So that, again, we have some difficulty if the economics is such that these persons cannot be provided with the wherewithal so that they are able to do that.

Related to that also, is the whole issue of training for those persons who provide that service to them, because we have a problem in this society with respect to how those services are provided. I think it is unfortunate that after these persons have given their productive lives and are not now able to take care of themselves, they are subjected to the kind of services available. This is the reason, in terms of training and the allocations in the budget, that they can be of some concern. The previous administration, as I said earlier on, was very much focused on providing a complete change in those persons who provided that social service. So that it is not a handout.

Mr. Speaker, you would be amazed at how some of those persons are treated when they have to go to the various counters to seek the services that are provided. It is degrading and dehumanizing. So I am saying that part of the focus must be on training so that the persons providing that service recognize what is expected of them. In the case of persons who are concerned with short-term assistance, what I refer loosely to as the welfare roles, it is also important for those welfare officers to be aware of any new changes that are required to make sure that the appropriate assistance and programmes take place. So as we talk about this whole social development issue, we can very well understand how all-embracing it is and how it spans so many other activities with respect to the Government's areas.

Mr. Speaker, I want to come back a little bit to the budget. Earlier on, I raised certain questions with respect to the allocations as they relate to social development, and I did that because this budget is a little different in terms of how previous budgets dealt with certain issues. For example, when this administration formed the government on a previous occasion and its Minister of Finance presented the budget, it was extremely clear with respect to certain areas of allocations.

2.10 p.m.

For example, he said:

“Permit me to outline some of the programmes where this significant increase in social service funding will be used:

\$211.3 million - Old Age Pension”

I am only pulling out the ones that are related to the social development area.

“\$89.5 million - Food Subsidy

\$54.3 million - Social Assistance

\$43 million - Free Medicine

\$11.5 million - Orphanages

\$5.5 million - Servol

\$3.5 million - Feeding programme for the needy”

Mr. Speaker, earlier on in a contribution from the other side I heard something about \$332 million on social programmes. It is difficult for me in terms of the presentation to determine precisely where that sum of \$332 million on social programmes is and in what areas it is likely to be spent.

We on this side have concerns with respect to where the areas of the allocations are going to take place. What basically is this new Government's philosophical policy with respect to the area of social development? What would that be like in light of the external environment that is changing and requires a new kind of approach to make sure that, as I have indicated, at the end of the day the whole question of that balance that needs to be struck is struck, so that the programmes and policies ensure the number of persons who have to rely on social assistance from the Government does not increase to the extent that there is such a drain on resources being put in that particular area.

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The previous administration was moving away from that whole—and they have accused us in the past of encouraging dependency—dependency syndrome where people do not have to unnecessarily rely on the state, where they can provide for themselves. Let us face it! People do not want to have to rely on the state, but in circumstances over which they have no control they have to do so. The role of the state in those circumstances is not to keep them one day longer, and in order for that to happen it is necessary for certain measures to be put in place and this budget is silent in terms of some of those measures.

Mr. Speaker, we had indicated certain initiatives that we intended to put in place as they relate to social development and, if only for the records of this honourable House, I feel they should be mentioned. We said that the major PNM initiatives will be as follows:

- (1) The implementation of a new system of delivering social services through greater utilization of NGOs.

I indicated earlier on that consultants were brought on board and looked at the whole question of how to ensure that the NGOs, those persons who are better equipped to provide those social services are allowed to do so. As a result, discussions took place with the NGOs on the basis of how best those services can be delivered. So that the question about the administrative cost associated with those services, the question of the effectiveness and efficiency of the provision of those services so that proper targeting could take place was being undertaken; providing communities with trained social workers.

The thinking in that regard was to make sure that those individuals who are required to provide services to people in the community established a greater relationship. It is something that is taking hold in many other societies, almost like a case worker kind of arrangement so that the community worker will have responsibility for so many individuals within a particular catchment area, and as a result, will have a better understanding and appreciation and could see the change and development in the particular case work for which he/she has responsibility. In that way, he/she will be able to monitor the developments which have been taking place, the extent to which the person has moved away from welfare and goes into gainful employment or in terms of generating one's own employment.

- (2) Improvement of the national insurance benefits.

The whole issue of the national insurance benefits has been one of those issues raised on the election campaign. There is talk about the level of benefits

paid through the national insurance being inadequate, but there is also the other relationship between the increasing of benefits and the increasing of contributions. As a result, a Cabinet-appointed committee was looking at the whole issue of national insurance in terms of the latest actuarial review that was submitted. One cannot talk about increased benefits without a corresponding increase in contributions. That matter was also engaging the attention of the previous Government.

(3) Ongoing review of old age pensions and social assistance.

There were times when we on this side have been accused of not being sensitive to the concerns of the old age pensioners for example, when it was necessary to introduce a system where pensioners, would cash their cheques either in banks or post offices, changing a situation that existed before when it could have been cashed in any little neighbourhood store. That created certain other problems in terms of putting some of those very pensioners under pressure, in terms of people taking their cheques and cashing them in any place. So that this was a measure designed to reduce that difficulty.

(4) Continuation of programmes aimed at reducing substance abuse.

Mr. Speaker, I did not see in the budget allocation any increased moneys in this area in terms of the question of drug abuse and rehabilitation and reduction in the number of persons who find themselves in such a situation.

(5) The establishment of a facility at Caura for the rehabilitation of the socially displaced.

Mr. Speaker, as you are aware, vagrants or the homeless are housed in a facility at Riverside Plaza—Nipdec Car Park. Based on discussions and consultation, it was felt that that facility was not appropriate in order to achieve any kind of rehabilitation of those persons who found themselves in that position.

I understand that on the basis of a committee—NGOs again and some agencies in the Ministry of Health and the Ministry of Social Development—after consultation, came up with the idea that it was necessary to move the facility from there. There has been talk in the past about Carrera and other places. Caura was the choice of location on the basis of the discussions with the various NGOs.

It was also felt that given the relationship between the Ministry of Health and the Ministry of Social Development, some ministry should play the lead role and the Ministry of Social Development was given that responsibility in terms of

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ensuring that the interface—the Ministry of Health had certain responsibilities as it relates to the removal of vagrant.

My understanding is that on the basis of those discussions and on the basis of recommendations the Caura facility was accepted. However, I am hearing now that some interest groups that have special interest are now negating on that very decision that they agreed upon to move the vagrants from that location to Caura. I do not know how true it is but my understanding is that it is the Government's intention to scrap the idea. I hope that when they review it they would see what the merits of the suggestion are and do things that will be in the best interest of those persons who are affected.

One of the reasons for the relocation to Caura was supposed to be the ambiance and the aesthetics. It is impossible to do any kind of rehabilitation work in a centre at the Nipdec Car Park if one sees how those facilities are. Not only that, it is difficult to rehabilitate in a city centre, whereas in an area that is much more outside of the city centre, the kind of results that one is looking for are more likely to be achieved.

2.20 p.m.

The intention also was to have assessment centres, halfway houses, the major shift in focus to rehabilitation. The intention being to reduce the number of persons who find themselves in that particular position. The development of transition arrangements to facilitate the re-entry of formerly socially displaced persons into the mainstream of the society. I have been talking about that and enactment of certain legislation. We intended to bring the Family Court Bill, the Child Care Services Bill, and review the existing legislation with the aim of updating the Legal Aid and Advisory Act, the Old Age Pensions Act, Public Assistance Act; of course, the National Insurance Act, the Adoption of Children Act and the Domestic Violence Act.

Mr. Speaker, I have sought to outline what—*[Interruption]*

Mr. Maharaj: The PNM would have done, if—

Mr. M. Joseph: —exactly what we would have done and what we will do if, during this short period of time that those persons occupy that part of the House, they have not done it, we will do it when we are returned to power, Mr. Speaker. And hope that by raising these questions to be in a position to continue to monitor the policies and programmes of the coalition government in this area, so that we will be able to see the developments and progress that are taking place.

Mr. Speaker, I trust that at some time during this budget debate we will get answers to some of those issues I have raised in my contribution and as a result, the question about the Government's policies and programmes in the area of social development will be properly articulated, so that we on this side and, by extension, the national community will be in a better position to determine precisely how effective those policies and programmes are in terms of the betterment of Trinidad and Tobago.

I thank you.

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. Speaker, hon. Members of the House, I would like to preface my contribution here today, by congratulating the hon. Minister of Finance on the presentation of one of the most critical budgets in the history of this country. [*Desk thumping*] I am sure that citizens, corporate and private alike, are acutely aware of the financial constraints which limit the capability of the Government at this time to adequately satisfy all the needs and wants of its people.

This notwithstanding, I am certain that even the Members on the other side, despite their protestations, will concede that the hon. Minister has undoubtedly met this challenge and in doing so, paved the way for not only the recovery of the economy but, more importantly, he has addressed the major problems associated with the welfare of all citizens. [*Desk thumping*] It is in this context, therefore, that the general policy framework for the energy sector takes its cue.

As you no doubt will agree, Mr. Speaker, the energy sector has been, and continues to be, the leading sector in Trinidad and Tobago's economy and the revenue generated in this sector provides the catalyst for economic growth and development. A review of the economic history of this country over the past three decades will clearly demonstrate this fact. The importance of this sector to the economy is, therefore, quite clear and the Government of Trinidad and Tobago, in the implementation of its policies and programmes, will ensure, not only the stability, growth and expansion of this sector, but also that the resultant benefits accrue to the citizens of this country.

In 1995 the energy sector continued to perform the critical role as the engine room of the economy. Major economic indicators which highlight the sector's contribution to the economy are as follows: Gross domestic product, \$8.6 billion, or 27.9 per cent of the total GDP of \$30.8 billion; Government Revenue 21.8 per cent; Foreign exchange earnings, 68 per cent. Our Government has, therefore,

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recognized that the policies and strategies for development, expansion and growth of the energy sector must be proactive and have as its base clearly identified trends and realities, not only of the domestic industry, but also and, perhaps, more fundamentally, the current and projected trends and events of the international industry.

In this context, the major challenge which faces the energy sector in Trinidad and Tobago is that, notwithstanding the sector's importance to the economy, the domestic industry is so small in relation to the international industry, that it is unable to influence the latter's direction, development, or growth.

To illustrate this point, Mr. Speaker, in 1995 Trinidad and Tobago produced 130,896 barrels of oil per day, or 0.2 per cent of the world's oil production of 67 million barrels per day. The production share of natural gas was 6.5 million tons of oil equivalent or 0.3 per cent of the world's 1.9 billion tons of oil equivalent. This clearly negates any suggestion of our influence on the international industry as it relates to primary hydrocarbon production. Our success in the hydrocarbon industry, as suggested by these figures will, therefore, be contingent upon our ability to maximize operational efficiency. We have seen world prices decline in recent years and in real terms, it is currently near its 1970 level. While the nature of this market is one of volatility, projections are for price stability in the next few years and a gradual price rise in the first decade of the 21st Century.

Mr. Speaker, while I am on the subject of oil price, the hon. Leader of the Opposition, made reference to the oil price used by the Minister of Finance in the budget. In 1991 the actual price was \$21.18, the budgeted price was \$22; in 1992, actual price was \$20.48, budgeted price, \$19; in 1993, actual price was \$18.05, the budgeted price, \$20.50. In 1994, the actual price was \$16.66, the budget price was \$19.00, Mr. Speaker. In 1995, actual price, \$17.75 and the budget price was \$16.50.

Mr. Speaker, the trends indicated in 1995 show a hardening of the prices as several factors impacted on the market. Among these are listed the instability caused by the political situation in Nigeria and possible trade sanctions; decision by OPEC to maintain in 1996 a production ceiling as applied in 1995; and the projection of a long severe winter in early 1996; also a possible change in policy in Saudi Arabia, arising from the succession of King Faud's brother to leadership. Mr. Speaker, we on this side feel very confident that the oil price used in the budget is a conservative figure. [*Desk thumping*]

Mr. Panday: We shall not waste the excess as you have done.

Hon. F. Gangar: Mr. Speaker, our position in the crude oil market causes us to be a price taker as opposed to a price maker; yet it directly impacts on our revenue raising capacity. We are, therefore, certain that the likelihood of an oil price windfall as occurred in the seventies is not on the cards and, therefore, our thrust in this area must focus on increased production and efficiency.

Over the last two decades it became evident that the crude oil reserves and production were declining, while substantial natural gas reserves were being discovered during the exploration attempts to reverse the declining crude oil reserves.

2.30 p.m.

This reality dictated a major policy shift towards the monetizing of our natural gas reserves once considered a nuisance bi-product of crude oil production. What emerges in this circumstance is a two-pronged policy to increase crude oil production and at the same time, develop strategies to monetize the gas reserves.

I want to emphasize that this is not PNM policy, but a strategic imperative driven by economic reality.

The successful development of the energy sector requires not only a clear policy statement but the appropriate administrative, technical and legislative framework to facilitate implementation of the policy. This population is no longer prepared to tolerate a proliferation of policies, papers and committees without the appropriate action.

A review of the previous administration's performance in key areas of the energy sector clearly indicates failure of the implementation measures. I was quite taken aback when the hon. Leader of the Opposition made reference to prudence and skill in management. I will show you why.

I bring to the attention of the honourable House the following performance indicators of the previous administration:

Indigenous crude oil production—little or no growth;

Refining—continued poor performance as evidenced by a loss of TT\$80 million in 1994/1995;

Natural Gas—no regulatory framework for development. No independent authoritative assessment of the reserves.

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We talk about monetizing our reserves. At this point no one knows how much gas this country has.

Natural Gas-based Industries:

Liquefied natural gas—initial site abandoned, no negotiations or agreement on fiscal incentives, no serious analysis of economic benefits to Trinidad and Tobago.

Farmland Ammonia—initial site abandoned.

Arcadian Ammonia—no progress.

Cumene/Phenol—no progress.

Nucor Iron Carbide—nobody knows what is the status of that project.

Methanol—failure to complete the divestment plan for Government's shareholding in the Trinidad and Tobago Methanol Company and subsequent collapse in the expansion of the industry.

Failure of the La Brea/Brighton Industrial Estate.

I will return to the La Brea/Brighton Estate later in my presentation. At this stage I do not intend to say which of the above projects was good, bad or mad. I merely wish to place on record the results of the PNM's performance.

Administration of the energy sector: At this point I wish to deal with the regulation of the energy sector and the initiatives we have taken or shall be taking in this regard. This Government is of the view that the energy sector must be able to adapt to change and a responsible government must ensure that the necessary policy measures are, in fact, in place. Key factors which will influence the Government's energy policy include:

- (a) the declining local production;
- (b) the increased proven domestic natural gas reserves and corresponding increase in natural gas production;
- (c) the uncertainty with respect to crude oil and petro-chemical prices;
- (d) this country being a small petroleum producing state;
- (e) the heavy dependence of our economy on petroleum;
- (f) the major source of energy being petroleum-based;

- (g) a recognition of the need to actively encourage downstream industries;
- (h) a lack of local investment capital;
- (i) the increased risk in finding new petroleum reserves;
- (j) the relative deficiency of technology locally; and
- (k) this Government's concern for the health and the environment.

Given the interdependence existing between the energy sector and the economy, it is clear that economic growth prospects continue to depend mainly on the country's ability to meet the challenges posed by the energy sector. In order to create a stable and revitalized energy sector, it is proposed to formulate an array of policy measures that will address adequately and effectively the changing circumstances both locally and internationally.

I now address specific policy measures. I am sorry the Leader of the Opposition is not here, because he complained this morning that there was an absence of ideas and plans in this Government. I certainly note his absence here this afternoon.

The Government has appointed a Cabinet subcommittee headed by the Minister of Energy and Energy Industries and comprising the Ministers of Finance, Planning and Development, Trade and Industry, Consumer Affairs, Foreign Affairs, and Public Utilities, to take decisions with respect to the energy industry. The need for a standing committee on energy will be revisited.

During the previous administration, the much vaunted standing committee of energy met 47 times, sometimes in excess of six hours, comprised 17 members and accomplished virtually nothing.

Hon. Member: Under the chairmanship of?

Hon. F. Gangar: The Father of Energy.

The major focus of the regulatory policy will be a return of control of the energy sector to the Ministry of Energy and Energy Industries. The situation which existed when we first assumed office allowed for major decisions which fell under the jurisdiction and responsibility of the Minister of Energy and Energy Industries to be taken outside of the Ministry, either in the Twin Towers, or in St. Augustine or in Point Lisas. Many of these decisions had profound implications to revenue-earning potential of the company. We immediately took initiatives to address the situation and the major undertakings are:

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- (1) Institutional strengthening of the Ministry of Energy and Energy Industries to include a project, promotion and evaluation subsection within the energy planning division of the Ministry. Utilizing and upgrading available resources and the addition of personnel and physical resources as needed. This section will also evaluate and advise on fiscal incentives related to projects.
- (2) Review of the roles of all bodies engaged in the energy sector.
- (3) Setting of performance targets together with audits of all state energy companies on a quarterly basis.

To perform these additional duties, the computerization of the Ministry of Energy and Energy Industries will be actively pursued in the first quarter of 1996 with the intention of making the information systems of the Ministry on par with the companies it is required to monitor and regulate. Put another way, we hope to make it truly world-class.

Further, the Ministry of Energy and Energy Industries will adopt a customer-focused, pragmatic and business oriented approach to the task of creation of wealth and managing the national patrimony.

Natural gas-based industries: Because of the nature of the natural gas industry, the development of this subsector will be approached by the employment of strategies for both the upstream and downstream segments. This approach is critical for it is well known that in this industry supply is inextricably related to demand.

At this point I wish to assure the citizens of this country, corporate and private, that the Government is firmly committed to the development of the natural gas industry. Therefore, I take this opportunity to record, as stated in the election manifesto our position in this regard. I quote:

"The Government will actively support plans and programmes for the exploitation of the country's natural gas reserves so as to sustain growth in this area and associated sectors."

The dynamic nature of the petroleum industry demands that a proactive and aggressive approach to planning for the sector be employed. This is even more imperative in the natural gas industry at this stage of development. In this regard, several issues arise which must be considered in the further development of a natural gas sector. The major issues are as follows:

- (1) The impact on the environment arising from growth and expansion of the sector.
- (2) Ascertaining desirable production levels based on market considerations.
- (3) The implementation of deepwater exploration and production and the associated technological challenges.
- (4) Desirable levels of state investment and deriving the optimal state/private sector investment mix.

These issues must be adequately addressed in the plans for further developments of the subsector. The expeditious and careful meeting of these challenges would provide the climate for a self-sustaining natural gas industry which will continue to develop and expand.

It is within this framework that our major policy focus for a natural gas subsector emanates. Our principal goal in this regard is to accelerate the development of the subsector within a framework which ensures an efficient natural gas depletion policy, an independent authoritative assessment of our reserves, transparency, proper regulation of the industry to ensure adequate expansion and growth and to ensure that the country gets appropriate returns from the utilization of these resources.

2.40 p.m.

Towards this end, the Government has taken several initiatives and proposes to take several more within the ensuing months to ensure the achievements of these major policy goals for the subsector.

The major initiatives are as follows:

- (i) The establishment of an independent agency under the aegis of the Ministry of Energy and Energy Industries to regulate the natural gas industry. This agency would be a regulatory body to set up and monitor the ground rules for the natural gas subsector;
- (ii) Assess the economic and technical feasibility of continuing the development of the extensive north coast marine gas fields;
- (iii) Evaluate the area of natural gas marketing as it relates to direct sales from producer to consumer;

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- (iv) The introduction of natural gas legislation to assist in the regulation of the industry;
- (v) A review of royalties on export natural gas.

Other policy measures for the natural gas sector include:

- (1) Government's active support for plans and programmes for the exploration of the country's natural gas reserves which would sustain growth in other associated sectors.
- (2) A pricing structure for natural gas marketing would be put in place to determine gas price and guarantee supply to new investors.

Mr. Speaker, we would put to rest the day when gas price is negotiated within five minutes over a phone.

- (3) Feasibility of a network of pipelines to supply natural gas to homes as a fuel for cooking would be pursued and a supply for industrial use would also be vigorously pursued as a means of encouraging investment in downstream industries.
- (4) Government would devise a support policy for the development of downstream industries in the energy sector.
- (5) The policy would be implemented through a co-ordinating agency engaging the market intelligence, engineering and financial analyses and the development of an appropriate fiscal incentive package with the object of fostering investments, whether it be in MTBE, plastic resins, polyester fibres, acrylic or any other products. The Ministry of Energy and Energy Industries, the Ministry of Planning and Development and the Ministry of Industry and Trade would be actively involved in these activities.
- (6) Finally, the production and export of downstream industry products would be encouraged through both private and state participation.

Exploration and production of crude oil: The upgrading of the Petrotrin Refinery is due to be completed by mid-1996. This is projected to increase the current refinery throughput from 100,000 barrels per day to 140,000 per day by mid-1996. Of this, 72,000 barrels per day are indigenous crude with the remainder comprising imports and third-party processing.

At the time of project conceptualization, it was expected that increased indigenous crude would be approximately 100,000 barrels per day. The increased production was premised upon successful implementation of the enhanced oil recovery projects at Trinmar and Petrotrin and exploration efforts through the Southern Basin Consortium Programme. To date, we understand that both enhanced oil recovery projects have not realized the expected barrels per day.

Further, the efforts to explore for deeper precarious reservoirs within the Southern Basin of Trinidad have proven to be unsuccessful. Indications are that the operators are pulling out of the project.

Mr. Speaker, this Government is faced with a situation where this country has engaged a \$350 million loan on which repayment has already begun. We have a refinery that would be upgraded by mid-1996 with a required shortfall of 80,000 barrels per day. This Government would now have to devise means to sustain the country's refining operations at an economic level.

In order to increase the reserve base of this country and to arrest declining production, the Government would pursue an aggressive exploration of production programme in both the land and marine areas.

Appropriate tax incentives would be introduced to promote drilling at water depths greater than 1,000 metres to encourage horizontal wells applications and to expand and enhance oil recovery projects. The utilization of our highly skilled exploration production professionals within Latin America and the Caribbean region as equity in project development would be pursued.

The demand for crude to make up the shortfall for the soon-to-be-completed refinery upgrade would provide the impetus for these efforts.

Onshore exploration efforts would be focused on outstep and deeper drilling for already known proven reservoirs, including but not limited to Herrera and Nariva Sands. Outstepping would be away from known production trends and on structures defined by seismic mapping. This represents low to medium risk drilling prospects which are expected to find several small but productive fields.

Exploitation of bypass reserves within existing fields would be another area of focus. The complex local geology requires the immediate implementation of new technology, such as 3-D seismic, which would enhance geological interpretations to ensure a successful exploration drive.

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The application of horizontal drilling and completion technology would also be actively encouraged. Work is in progress on two regional onshore studies which are projected for completion by mid-1996 and potential prospects that can each trap 5—20 million barrels of oil have been identified.

These studies involve the Middle Miocene and Pliocene reservoirs throughout the Southern Basin. These reservoirs have been major contributors in the history of the country's oil and gas production and would continue to offer the best conduits for additional reserves and consequently increased crude oil and gas production.

Exploration activities in several potential offshore areas have ceased over the last 10 years or more. Five areas have been proposed for exploration activities: East Galeota; Point Ligoure; Block 1, Gulf of Paria; East Brighton and South Marine. However, the areas require further geotechnical evaluation to identify potential prospects.

The Government would ensure that companies be committed to the agreement of the licences to continuously evaluate these areas and that alternate proposals for exploiting these areas would be effected as soon as possible. *[Interruption]* In fact, I would like to inform the Member for Diego Martin West and the Member for Diego Martin East that within two months of taking up office, this Minister has provided Petrotrin with the appropriate directions in each of the areas I have listed. This was sitting on somebody's desk for three years. So, I am not only a reader, I am a very decisive man. This is evidence of the decisive leadership we have already brought to this Ministry.

Other areas to be pursued include:

- (1) Joint Exploration and development projects with neighbouring countries as provided for in the OLADE Convention and the Trinidad and Tobago/Venezuela Boundary Delimitation Treaty;
- (2) Influencing acreage holders to pursue aggressive exploration and development programmes as provided for in their licence/contract or surrender same;
- (3) Persuading countries to relinquish non-active acreage, in spite of licence/contract term being unexpired;
- (4) Considering using acreage swaps with new acreage tied to an exploration programme and agreed surrender procedures.

Mr. Speaker, I now turn to the subject of joint venture lease operatorships and farm-outs. The Government would continue to encourage a programme of joint ventures lease operatorships and farm-outs utilizing private sector companies, employing a strict competitive bidding process. The state company would also be encouraged to ensure that contractual obligations are met, failing which a penalty clause would be effected. Mechanisms to ensure transparency in this process would be put in place. These programmes would be undertaken as long as they generate additional employment and produce oil which, under current conditions would not have been economically producible by the state companies.

In this regard, special incentives would be provided for companies which successfully utilize new technologies in the winning of additional crude. This Government would actively encourage and support the state company in retaining selected areas for its own development using innovative funding mechanisms.

Mr. Speaker, the Government would encourage and support the upgrading of the processing facilities in order to improve the yield and value of its products as well as increasing throughput with a view to promoting the Pointe-a-Pierre refinery as the main refining centre in the Caribbean.

2.50 p.m.

To remain in the refining business and, indeed, to improve its economic viability, Petrotrin embarked upon a project to upgrade its Pointe-a-Pierre Refinery with external funding guaranteed by Government. This project is expected to be completed around the second quarter of 1996 with plans coming on stream around the same time. Refining throughput over 1994/1995 was 100,000 barrels per day. The full conversion capacity available from the upgraded refinery is 160,000 barrels per day. Indigenous crude oil production available to Petrotrin is about 72,000 barrels per day.

Projected refining margin on indigenous crude is about US \$4.50 per barrel, while on imported crude it is significantly less, of the order of \$.50 to \$1.50 per barrel. The major concern facing Petrotrin in the future is its ability to meet its debt servicing commitment guaranteed by Government.

The imperatives facing Petrotrin are, therefore, to:

1. Increase indigenous crude oil supplies.

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2. Expand the premium markets in the Caribbean and Latin America.
3. Secure appropriate supplies of imported crude.
4. Engage in third-party crude processing arrangements.

In order for Petrotrin to be successful in meeting its debt servicing commitments, it must address its weaknesses and deficiencies which threaten its viability and seek to improve on its strengths. Some of Petrotrin's weaknesses and inefficiencies include:

1. High operating costs per barrel due to inefficiencies in maintenance, equipment reliability and energy consumption.
2. Poor industrial relations climate. There has been severe industrial unrest in 1989, 1992 and 1995, the last being extremely costly.

Certainly, these weaknesses cannot be allowed to persist. The Ministry will be requesting from Petrotrin and all other state companies in the energy sector, a comprehensive plan to reduce costs, eliminate waste and improve the industrial relations climate. To this end, the Government will consider both the option of granting Petrotrin appropriate fiscal incentives so that they can strengthen their leverage to maintain the upgraded refinery, and the option to encourage external participation which would provide the crude shortfall to optimize the refinery's economics. These options are not to be considered as being mutually exclusive.

Government, through the Ministry of Energy and Energy Industries, will reserve the right to determine the form of the external participation in the refinery. It must be clearly understood that even after the upgrading of the Pointe-a-Pierre Refinery, fuel-oil yields will be 30 per cent while competitive refineries in the United States have fuel-oil yields of 5—10 per cent. In this regard, it is imperative that further strategic initiatives be implemented to increase yields of higher value products. It is clear that for any strategic alliance or joint venture partner the ability to inject capital and technology would be a major prerequisite.

As part of the review of the agencies under the state, the role of Trinidad and Tobago National Petroleum Marketing Company in the retail industry, that is, service stations, will be addressed early in 1996. Our policy goal in this regard is partial demonopolization of the local retail petroleum market. It is necessary to consider implementing this policy owing to the following realities:

- deterioration of existing plant and equipment and subsequent customer service degradation;
- trade liberalization;
- a global outlook for national and economic development;
- increased private sector participation, particularly in the energy sector.

In this regard, the Government intends to divest a percentage of the service stations owned by National Petroleum. In addition, consideration will be given for the construction of new stations as well as the relocation of existing gas stations in an effort to optimize the network. This measure will ensure the establishment of a healthy and competitive market-place.

Government, in furthering its policy to encourage the use of cleaner burning fuels, will continue to monitor the research and develop into new and renewable energy and to promote its use in the energy consumption sector where it holds a definite comparative advantage. In this regard, activities in renewable energy for 1996 will include the following:

Retail use of natural gas:

The Government will promote increased domestic use of natural gas which includes a programme aimed at encouraging a switch from liquid-based fuels such as gasoline to gas-based fuels. Government will provide incentives to expand the use of compressed natural gas as a vehicular fluid.

Asphalt: The performance of our only unique indigenous resource, asphalt, continues to receive international acclaim and testimonials as its performance withstands the test of time. The Lake Asphalt Company, however, continues to be a financial burden to Petrotrin in its operation. Not much has changed as markets dwindle and efforts to find and develop new products and marketing strategies have not met with much success over the last four years.

This Government will revive and sustain marketing efforts to make asphalt from La Brea available once more to the international market. The pending construction of a new port at La Brea will assist in making the product more readily available to the world. Proactive and market-oriented research will provide the means for diversification of the product mix and hence, the long term viability of the company.

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Our Government will provide the dynamic leadership to implement the appropriate strategies that will affect the turnaround of this company to make it a viable and modern enterprise, capable of servicing a wider base of international customers. Divestment of this enterprise is, therefore, not an issue at this time with our Government but rather to turn this black diamond into one of our jewels.*[Desk thumping]*

I now turn to the subject of quarrying which, I am sure, is of particular interest to the representative for Diego Martin West. Trinidad and Tobago possesses extensive deposits of natural aggregates, that is, sand, gravel, limestone, clay and other industrial rocks and minerals which represent a resource base for a potentially vibrant mineral sector. However, historically, the quarrying industry has been plagued by a number of problems which have frustrated its development.

The major problems of this industry include:

- (i) an antiquated legislative framework implemented and unchanged since 1917;
- (ii) no effective institutional capability;
- (iii) no rational leasing policy for mineral resources;
- (iv) an absence of proper geological data on which to base such a policy;

- (v) a fragmented structure within the aggregate industry. This industry accounts for more than 90 per cent of all quarrying activities.
- (vi) the accumulated effects of years of primitive operating practices.

Among the more serious impacts associated with the operations of the quarrying industry are:

- sub-optimal development and sterilization of valuable resources;
- pollution, environmental devastation, property damage and public nuisance in many areas;
- supply shortages and price escalation in periods of increased construction activity;
- significant financial cost including loss of revenue due to non-collection of royalties. Also, very serious damage to the beaches of Tobago.

In this regard, the Government will:

- develop an appropriate legislative and institutional framework for the industry;
- rationalize existing mining activity of state lands and restructure sand and gravel industry at the National Quarries Company Limited.

The Ministry of Energy and Energy Industries will interface with the environmental authority to facilitate proper management of the environment within the energy sector. Legislation will be developed to regulate the expansion of industrial activity in order to avoid environmental degradation. With the recognition of great environmental liability on many local leases projected for leasing and farm-outs, and the inadequacy of the in-place pollution policies of many energy companies, special incentives will be provided to encourage companies to improve pollution control and to reduce current environmental liability. These incentives would be negotiated on an industry-by-industry basis in consultation with the Environmental Management Authority.

This Government views the health and safety of this nation as a primary objective and, will therefore move to reduce widespread toxic emissions from motor vehicles arising from the use of diesel and leaded gasoline in fuels. We will consider all options including substituting oxygenates, specifically MTBE for lead in gasoline and encouraging the expansion of compressed natural gas in motor vehicles.

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

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

Question put and agreed to.

3.00 p.m.

Hon. F. Gangar: Mr. Speaker, I wish to thank hon. Members of the House for agreeing to extend my speaking time.

Immediate action will be taken to establish and develop the disaster preparedness facilities on all industrial estates with special consideration for the Point Lisas area. Further, Plipdeco will be encouraged to commission an environmental impact study and all tenants will be required to comply with guidelines emanating from that study.

With regard to technological development and training, our human resources and technology base will be developed concomitantly with the development of our natural resources. This aspect has only obtained passing consideration from the previous government. They have not provided the science and technology base so desperately required for the effective development of our energy resources.

We are currently finding ourselves ever dependent on imported technologies with little or no development of the local brain power to adapt them or develop technologies of our own. We have the uncanny situation where foreigners are often more expert and knowledgeable than local professionals about our own resources. This Government will outline policies along the lines of enhancing research and development, technology transfer and training of our human resources. This Government recognizes that the key to long term survival and enhanced profitability is through the application of advanced technology. However, at the same time we recognize our inability to allocate resources to the same level as larger economies.

To accomplish this, a highly specialized applied research and development facility will be established. Joint venture arrangements with a number of foreign institutions with technical expertise in priority areas such as environmental protection, natural gas engineering, solar/wind energy, biomass conversion and/or productivity improvement in marginal reservoirs will be sought. This type of

piggy-back arrangement is expected to accelerate staff development and returns from investment into research and development.

The Minister of Energy and Energy Industries will liaise with NIHERST to ensure congruence to the national science and technology policies. Funds and resources already committed will be utilized and consultation will be held with energy-based companies to provide additional funding. Critical to the development of our energy resources is the development of leadership, management and technical skills of our human resources.

[Mr. Deputy Speaker in the Chair]

Recognizing the need to cope with fast changing technology and the engineering sciences, manpower development will be pursuing consultation with the proposed energy research facility, NIHERST and the Engineering Faculty at the University of the West Indies. This development will be facilitated by the award of special scholarships and the rotation of staff through national and international institutions. A skills bank of current and projected needs according to the energy policy will direct the training to be pursued.

I now move on to projects earmarked for 1996. The energy sector of Trinidad and Tobago has undergone a number of dynamic changes within recent years. Consistent with the election manifesto we will continue to actively encourage and support development of the natural gas industries.

I refer to the Farmlands Industries/Mississippi Chemicals Ammonia Project. On December 15, 1994 a project agreement for the ammonia project to be sited at La Brea was signed between the joint venture partners Farmland Industries and Mississippi Chemicals and the Government of Trinidad and Tobago and the National Gas Company. The plant construction originally carded to begin in September, 1995 has been delayed until the first quarter of 1996 owing to the difficulties encountered in the site remediation at La Brea. In view of the problems associated with the timely completion of the well abandonment works, Farmlands Industries and their designers M. W. Kellogg have chosen the Golf Course site at La Brea as an alternative location to the site.

In order to ensure that this ammonia project continues without any further delay and conscious of the deflated aspirations of the long-suffering people of La Brea, there has been agreement to support the project and the signing of the various agreements took place on December 19, 1995 between Farmlands Industries and the Government of Trinidad and Tobago.

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I move on to liquefied and natural gas. The Atlantic Energy Company of Trinidad and Tobago has proposed an omnibus agreement which is currently under consideration. This agreement addresses the fiscal incentives and Government's undertakings needed by the company to create a commercial and legal environment conducive to the major investment being contemplated. A committee of public officers from the relevant ministries has been appointed for three years, and 10 months after project conceptualization to evaluate and make recommendations to the Government with the emphasis on the economic benefits to Trinidad and Tobago. This Government expects to make a decision by the end of January 1996.

With respect to the project proposal for the establishment of a first Arcadian ammonia plant which has been received by the Government, a decision is expected to be made by mid-February 1996.

With respect to a scrap iron substitute plant, a project proposal has been received and a decision would be made shortly.

Mr. Deputy Speaker, as I said earlier in my contribution, in order to implement policy effectively the appropriate legislative framework must be in place. To encourage optimum development of our resources, the Government recognizes the need to source foreign capital and technologies. As such, the legislative framework must be designed to maintain our competitiveness to international investors, while at the same time protecting our sovereign rights and improving the skills of nationals in this most vital industry.

Some specific proposals which need to be considered include the following:

- (a) reviewing the amount of overseas expenses that can be written off against taxes;
- (b) reviewing the time period that technical data concerning local resources can be kept confidential;
- (c) making all contracts licence and amendments transparent;
- (d) mandating all original data and samples from exploration to be stored in Trinidad and Tobago;
- (e) implementing legislation in line with the US Anti-Trust laws;

- (f) providing the opportunity for private landowners with mineral rights to acquire a licence to explore, drill, produce and sell oil to the state company;
- (g) reviewing and regularizing leasing arrangements and contracts between the state, private oil companies and private landowners with mineral rights;
- (h) repealing outdated regulations related to the Oil and Water Board and replacement by more effective mechanisms to alleviate the hardship and inconvenience to affected sections of the population;
- (i) drafting the necessary legislation for the regulation of the natural gas industry.

At this point, I return to the La Brea Brighton Industrial Estate. This particular issue has attracted national and international interest since August 1995. We have witnessed since then the withdrawal of the two major investors Atlantic LNG and Farmlands MissChem Ammonia from the original site. We have heard public comments from many, including the former Prime Minister who is now Leader of the Opposition, the former Minister of Energy and Energy Industries, the National Gas Company and many affected members of the national community. This Government has refrained from making any statement on this issue prior to completing our own deliberations.

3.10 p.m.

Mr. Speaker, I am pleased to report that Government has now completed its review and this honourable House is now advised as follows:

On April 16, 1992, the previous government

- (1) agreed in principle that the La Brea/Brighton area be developed as a new industrial estate with the necessary infrastructure for petroleum-based industries;
- (2) decided that the proposed industrial estate be developed under the agency of the National Gas Company.
- (3) decided that an advisory committee be established to collaborate with the NGC in identifying the infrastructural requirements for the estate. This advisory committee comprised senior personnel from the relevant state

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enterprises, government ministries and agencies under the chairmanship of the NGC.

Early in 1993, Petrotrin was approached by the NGC to participate in the development of the proposed La Brea/Brighton Industrial Estate or an approximately 1800-acre parcel of land owned by Petrotrin, and which contained several oil wells and production operations. So we were trying to build an industrial estate on an existing estate.

Petrotrin expressed concern for the following reasons:

- (1) The likelihood of pitch creep;
- (2) The site chosen included the Brighton oil field, which at the time was producing 150 barrels per day of oil and contained in some areas a high density of oil wells which would have to be plugged and abandoned.

These two factors clearly indicated two major problems associated with the development of the La Brea/Brighton Industrial Estate, namely the likelihood of pitch creep and the plugging and abandonment of 205 wells existing on the proposed site—not 25, not 2,205.

Now, there is the matter of soil suitability, including pitch creep. There are two factors here—a geotechnical and a geological—so I will deal with the geotechnical first. The matter of soil suitability, including pitch creep, was dealt with via a series of sequential, geotechnical investigations, namely;

- (1) A site reconnaissance study proposed LNG Facility Brighton, Trinidad by Fugro-Mc Clelland Marine Geosciences dated June 11, 1993;
- (2) Geotechnical Feasibility Study, Proposed LNG Facility Brighton/La Brea site, also by Fieldgrow Mc Clelland (South West) Inc. dated December 8, 1993
- (3) Preliminary Geotechnical investigation Vol. I, Engineering Report Proposed LNG Facility, Brighton, La Brea site dated April 13, 1994.

This report states, *inter alia*, and I note that it is a preliminary report:

"We believe the site is suitable for locating the proposed LNG facility. However, due to the presence of materials in the surface that have a high crete potential, special foundation systems will be required for most of the major facilities."

Further, this report clearly stated that its conclusions and recommendations could be used for planning and cost estimating purposes only.

Mr. Deputy Speaker, the approach to the matter of plugging and abandonment of the 205 wells on the site of the proposed industrial estate is more difficult to ascertain. Minutes of meeting among Cabot, NGC and Petrotrin held on October 14, 1993 revealed the following statement:

- (1) Liability arising out of the plugging and abandonment activity is of great significance.
- (2) Petrotrin indicated that its preferred position would have been advisership only, with respect to the plugging and abandonment operation. The company would not be unwilling to manage the plugging and abandonment operation, but would not want to be held liable for any adverse outcome.

Mr. Deputy Speaker, the alarm bells were being rung on October 14, 1993. No one took them on. Notwithstanding this, no geological investigation was undertaken to ascertain the feasibility of siting the estate on the proposed site, and there were two geologists.

On December 7, 1994, the previous government approved a plan formulated by the NGC for the development of the La Brea/Brighton Industrial Estate at a cost of \$193 million for infrastructure and \$242 million for external utility services. I have done a quick addition and this adds up to \$435 million. That government was prepared to commit almost TT \$.5 billion of our money without a geological study being undertaken. We heard this morning about monopoly money and cockset money. This is what they were talking about.

On October 10, 1994, Petrotrin was authorized by the NGC to invite tenders for plugging and abandonment works. Tenders closed on December 23, 1994. On February 2, 1995, Tucker Drilling Services was notified of contract award. To date, January 15, 1996, despite the use of unique techniques, 85 wells which have been cemented have been observed to be leaking, some within the well-bore, some within the annulus and others outside of the well piece.

Listen to this! Petrotrin claims that during the execution of the works, several problems were encountered, corroded tubulars, H₂S contamination, parted casings, stuck downhole tools, leaning well heads, supercharged shallow sands. There are a number of factors associated with these problems. The Brighton area

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is heavily faulted and prone to high chronic activities and this has resulted, *inter alia*, in gas and oil breakouts at the surface. Poor initial well abandonment techniques and the use of a fire flood as a tertiary recovery method has contributed to the complexity of abandoning wells in the area. Despite these factors, no geological investigation was undertaken to ascertain the feasibility of siting the estate on the proposed site. It is now history that the two major potential investors beat a hasty exit from this plan.

At the end of November 1995, estimated infrastructural costs were \$255.8 million, committals were \$104 million and expenditure to date was about \$70 million. The major uncommitted expenditure was for the petrochemical care and this is required for the farmlands ammonia project.

Based on the foregoing, this Government is of the view that the realization of the objective of the La Brea/Brighton area being developed as a new industrial estate for petrochemical industries is now seriously at risk for the following reasons:

- (a) Soil characteristics exhibited in certain areas would require specially designed foundations resulting in significantly increased capital cost, thereby limiting the attractiveness of the site to potential investors.
- (b) Based on the factors previously enumerated, it is very uncertain whether the leaking wells can be effectively plugged and abandoned. This could also be a very costly exercise.
- (c) In the event that further plugging and abandonment is successful, the risk of further gas blowout will always be present.
- (d) Finally, the ability of the proposed La Brea/Brighton Industrial Estate to attract potential investors is now severely impaired because of the serious safety, environmental and technical risks involved. We have been advised that financial institutions will be unable to lend money in view of the high risks involved, and in the unlikely event that funds are sourced, the Government would be required to provide onerous indemnification to potential investors.

In view of the foregoing, the Minister of Industry and Energy Industries has been directed that no further expenditure be incurred under the well-plugging and abandonment programme unless approved by the Minister of Energy and Energy

Industries and that expenditure associated with the infrastructure be kept to a minimum.

3.20 p.m.

Further, the Government now proposes that a committee be appointed by the Minister of Energy and Energy Industries to investigate all factors surrounding and leading up to the decision to proceed with the development of the La Brea/Brighton Industrial Estate and to make recommendations including, but not limited to, any further development.

Mr. Deputy Speaker, this committee shall present its report within 30 days of its appointment. The Government reserves the right to take any further action which shall result from the committee which has been established.

[Mr. Speaker in the Chair]

Mr. Speaker, as I conclude, there are policy measures which this Government will implement which will achieve the following:

- increase in crude oil production;
- increased natural gas production and utilization;
- bottom of the barrel conversion through implementation of new technology;
- a modern world-class refining entity;
- economic diversification of downstream industries;
- efficient customer-focused retail distribution;
- increase in employment;
- improvement in the standard of living;
- enhancement of the technology base;
- more efficiently operated state enterprises;
- faster decision-making process;
- a resurgence and revitalization of the energy sector.

It is obvious that the policies outlined by this Government within two months of taking office are designed to take our country into the 21st Century and to

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ensure its survival. I wish to assure this honourable House, the national community and private investors, both local and foreign, that this Government is committed to the growth and longevity of the private sector. The challenges of the energy sector which I have outlined here today, impact on the lives of every citizen of this country. The efficient exploitation of the country's resources, I am sure, is the silent hope of all of us. This Government is ever mindful of this and indeed it is our primary focus as we implement our policies, plans and strategies for the administration of the sector.

Each day the citizens of this country look forward to a higher standard of living and a more comfortable and happy environment in which to live. We are all aware that the management of energy resources is a critical input into the achievement of this goal.

If we are able in administering the energy sector to direct the efficient utilization of the country's patrimony to assist our citizens in living better lives, at the end of the day we shall be able to say, we had a job to do and we have done it well.

Mr. Speaker, I thank you.

Mr. Edward Hart (*Tunapuna*): Mr. Speaker, as I rise to make my humble input into this debate, belated as it may be, permit me to join with my colleagues who have already congratulated you on your elevation to the office of Speaker of this honourable House. I sincerely wish you a very enjoyable term of office.

I would also like to congratulate the Minister of Energy and Energy Industries on his maiden presentation in this honourable House.

Mr. Speaker, harmonious industrial relations is an essential ingredient in the process of national development. It is important that the lines of communication be always open between, and among the social partners with Government, labour and business. This is why the last PNM administration returned to the concept of tripartite discussions. There are several initiatives undertaken by the previous administration which need to be brought to a conclusion:

- A management information system.
- A re-examination of the Severance Benefits Act.
- A review of the Industrial Relations Act.
- A revision of the Occupational Health and Safety Bill.

A fifth area on which I would also like to touch is the question of pensions. Recently the Minister of Labour and Co-operatives disclosed plans to establish a national human resource information system so that people who register with the ministry for work can be dealt with effectively. This is already on train at the Ministry of Labour and Co-operatives. May I also point out that it is an important tool for the development of training and re-training programmes.

The Minister also made mention of IDB funding. I would merely like to point out that discussions were started by the previous administration in this regard. It has become clear for some time that the Severance Benefits Act is in need of amendments. In the first place, there has been controversy over the interpretation and application of certain aspects, in particular, the status of workers' severance benefits when a company goes into liquidation or receivership.

In the second place, the Act needs to be looked at in the context of the updating and expansion of pension plans, and thirdly, with respect to the rapidly changing nature of the world of work, and work itself brought on by the revolution in technology.

The last administration started discussions with labour and business on possible amendments to the Act. The idea of a severance pay fund is worth exploring. At one and the same time, such a fund can ensure that workers will receive their severance entitlement when the situation so demands and companies would not have to find large sums of money at any one time to finance severance payments.

The last administration established a committee under Mr. Oswald Wilson consisting of all the social partners to review the Industrial Relations Act. It is important that this matter be concluded so that the process of arbitration in industrial relations matters can be streamlined and existing deficiencies in the Act be remedied. In this respect, it is important to note that a new Industrial Court building is in progress.

Mr. Speaker, as a former Industrial Court judge you will be well aware of the unsatisfactory conditions of the physical environment within which the Industrial Court has had to operate. This was a contributory factor in delays in adjudicating on matters. Additionally, in the year 1995, the Industrial Court was brought up to full strength in terms of judges.

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At this point, I would like to pay special tribute to the President and other members of the Industrial Court for a substantial reduction in the backlog of cases. The time has certainly come, Mr. Speaker, to look at the role of the Ministry of Labour and Co-operatives in the resolution of the industrial conflict. I think it is true to say that both employers and labour agree that more often than not, the Ministry of Labour and Co-operatives acts as a conduit for referring matters to the Industrial Court. Surely, we should investigate the possibility of strengthening the powers of the Conciliation Division of the Ministry of Labour and Co-operatives especially to resolve minor disputes. An important consequence would be that fewer matters would have to be handled by the Industrial Court thus ensuring that the time for conflict resolution would be reduced.

In terms of occupational health and safety, it is not unreasonable to say that by and large we operate under the 1949 Factories Ordinance. The workplace of 1996 is radically different from what it was in 1949. A key difference is the change from primitive machines to sophisticated technology. Another important difference lies in the development in medical science, and in particular, occupational medicine.

We are now aware of the effects of certain conditions and processes on human beings in a way that we were not 50 years ago. It is important that discussions on the Occupational Health and Safety Bill be brought to a conclusion in a manner that is mutually satisfactory to all the social partners. No one will deny that it is desirable for employees to be covered by arrangement which gives them some security when they are no longer able to work.

3.30 p.m.

The past administration dealt with the matter of the transferability of pensions in the public service to the point where draft legislation was prepared, this exercise needs to be completed but we must do more. We must ensure that all employees are adequately covered and in this respect the Government will do well to examine the contributory pension system which was recently introduced in Chile. The Chilean's system affords adequate cover and flexibility, it also establishes a fund of savings which can be channelled into development. Equally important, it caters for the movement of workers from one job to another without the loss of benefits. This is important in the world of work where people are increasingly mobile.

Mr. Speaker, as we tackle the problems of national development and seek to create a better quality of life for all, it is important that all the actors in the field of industrial relations seek to minimize differences, resolve conflicts in the most civilized manner and continually explore means of co-operation. There is need for ongoing dialogue and open lines of communication among the social partners.

Mr. Speaker, if I can touch briefly on the question of minimum wages, we need to ensure that no worker is exploited and that minimum wages are within the reach of the relevant employers. It is a balance that can only be struck on the basis of discussion and dialogue. The decision to allow alcohol to be sold seven days a week at any time has implications for workers in that area in terms of payment and hours of work, and it is hoped that measures would be put in place to ensure that employees would be treated fairly. Mr. Speaker, at this stage I pass no moral judgment on the decision to sell alcohol seven days a week, I am merely expressing my concern.

Mr. Speaker, I have sat in this honourable House for roughly four years and on diverse occasions Members opposite claimed to care about the poor, the downtrodden, the dispossessed and so on. Yet, it is not reflected in the work they do in their respective constituencies. I was very surprised at the vicious attack launched on credit unions. Permit me to quote from the *Newsday* editorial dated January 14, 1996 under the headline "Punishing the credit unions". I quote.

"Both the credit union movement in Trinidad and Tobago and the critical constituency it represents have been awkwardly served by Government's removal of tax credits, of up to a maximum of \$625, from credit union savings effected during a calendar year.

For several decades credit unions have played a significant role in providing loans to members wishing to build or buy homes and/or effect home repairs, purchase school books, furniture and other household items and pay for medical expenses, eye surgery and corrective lenses, who because of income and age qualifications would have been denied loans by banks.

And they have been able to achieve this while limited by law to charging a 12 per cent interest on a declining balance or an effective annual rate of 6.75 per cent. On the other hand commercial banks charge as high as 18 per cent on the declining and in the case of overdrafts an additional four per cent."

Mr. Speaker, I am a member of the credit union movement being a small man, unlike my good Friend the Minister of Finance who presented the budget

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and spoke about levelling the playing field. The credit unions have a long history in this country. Many, many years ago under the PNM administration, credit union officers were appointed and were sent throughout the length and breadth of this country explaining to all and sundry the virtues of the movement. Today, the Government is alleging that there are credit unions which need to put their house in order hence the reason for putting this measure in place. I ask the question: what about those credit unions whose houses are in order, must they be punished for the delinquent ones? Mr. Speaker, I am appealing to the Government to rethink this situation and to maintain the incentives, while at the same time, putting in measures to ensure the protection of the credit union movement. If they do not, there is going to be an exodus of members from the credit union. The credit unions must never be in competition with the banks, the removal of the tax credit of \$625 on the purchase of credit shares is a retrograde step. It is a shame for such an important institution to be treated in this manner.

Mr. Speaker, permit me to turn my attention to the beautiful constituency of Tunapuna situated at the foothills of the Northern Range in the heart of the East/West Corridor. Presently, work is in progress on the Tunapuna administrative complex. It is very unfortunate that plans to construct similar buildings in other parts of the country have been abandoned. This is part of the overall public service reform which has as one of its objectives bringing service closer to the public and in a more convenient and customer-friendly environment.

In essence, the administrative complex, housing the post office, the court house, the warden's office, social welfare and so on, would be providing a one-stop shop for a range of services. Mr. Speaker, I am looking forward to the completion and the opening of this facility which will really enhance and uplift the constituency of Tunapuna.

Secondly, since being appointed to office I have been overly concerned about the state of the Tunapuna market. During the campaign trail some members on the opposite side spoke about the Tunapuna market, the conditions of the market and so forth. I have tried my best since taking office but I met the market in a condition—the Tunapuna Regional Corporation was tied up in legal tangles and work could not get going. My information is that plans are with the Tunapuna/Piarco Regional Corporation, moneys are available and I sincerely hope that work will start soon on the Tunapuna market. I go to the Tunapuna market to purchase foodstuff to help my family get food on the table, while other people see it fit to come to the Tunapuna market on the eve of the elections and

share money—there are some familiar faces in this House which I have recognized.

However, I am also very concerned about the Caura Chest Hospital, and I hope that the Minister of Health at some later stage will let us know the plans for the Caura Chest Hospital. Also, in the constituency there are many sporting facilities and the past administration has seen it fit to put down an Astroturf hockey surface. I am proud to say that in the month of October there is going to be a historic world cup preliminary hockey tournament, this is going to work wonders for the country. Work is not going on as quickly as we would like it and I hope the relevant Minister would look into this matter and try to speed up the completion of the hockey facility. Also, the indoor gymnasium that is going up adjacent to it.

3.40 p.m

With respect to the condition of some of the roads and pavements in the constituency, some URP projects have ground to a halt and I am hoping that work is going to be resumed very early, so that at the end of it all, we would have a better Tunapuna. Mr. Speaker, as the Member for Tunapuna, I take this opportunity to pledge to continue to work tirelessly in an effort to improve the quality of life of all the constituents and the nation by extension.

Thank you, Mr. Speaker, for allowing me once again, to take part in another budget debate.

The Minister of Agriculture, Land and Marine Resources (Hon. Dr. Reeza Mohammed): Mr. Speaker, after listening to the presentation by the Member for Tunapuna, I am still wondering who was in government on the last occasion. Nonetheless, may I at the very beginning of my contribution to the 1996 budget debate underscore the point made by my colleague, the hon. Minister of Finance, that the first responsibility of this new Government is to highlight the challenges confronting us as a country and to outline the policies, strategies and measures to address these within their holistic framework.

This Government's aim is to make the sector inclusive of forestry and fisheries, vibrant, vigorous, competitive, capable of generating profitable enterprises, able to attract investment from the local and foreign sectors alike, characterized by improved production and productivity, thereby providing enhanced and sustained incomes for its participants and contributing to the national food security. These goals and objectives are to be achieved within a

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policy framework which emphasizes and demands that due consideration be paid to the sustainability of the national resource base and the ecosystem, to ensure continuity of productive activities into perpetuity.

We on this side, consider it extremely important to involve all stakeholders within the national community in the process of identifying the requirements and priorities for national development. Accordingly, I will seize every opportunity to forge strategic alliances, not only with other ministries and departments of Government, but moreso, with our client community—the farmers, fisher folk, forestry and agri-business community as well as the consumers of agricultural output, including collaborators in other sectors which draw on agriculture for their inputs.

Mr. Speaker, this Government considers agriculture, including forestry and fisheries, as one of the pillars for national development. For as long as one can remember, the need has existed for this sector to be cast in a pivotal role if we are to achieve the universally agreed objective of reducing our excessive dependency on the energy sector.

For whatever reason—and I am sure our Friends on the other side of the house will want to suggest a few, they have continued to temporize and galley as if afraid to balance the pack. After all these years, agriculture contributed only 3.4 per cent to GDP in 1995. This is what Trinidad and Tobago needs to alter, to make the best use of our land and our people, both rural and urban.

This Government's aim is to put the sector, inclusive of forestry and fisheries, in a position to attract investment from home and abroad alike. We want the sector to be characterized by improved production and productivity; to be vibrant, vigorous and competitive; to be capable of sustaining profitable enterprises both within and without; and to be a source of income, welfare and security for the nation at large.

In this context, we share the vision of an agricultural sector of strategic importance to the overall growth and development of the economy of Trinidad and Tobago, and of special significance, in contributing to social peace and stability because of its intrinsic link to rural development.

What, therefore, would be some of the major policy goals and objectives of this Government? The vision is consistent with the primary goal of this Government which is to build a diversified economy which maximizes our natural resource endowment and human resource potential to their fullest.

In order to realize this goal, it is my intention to establish clear targets for 1996 and beyond. These targets will include:

1. Sustainable economic growth through the expansion of export-oriented activity, emphasizing increased productive efficiency, widening of the production base, as well as renewed focus on domestic food and nutrition security.
2. Increased levels of employment and further alleviation of poverty through enhanced and more effective inter-sectoral linkages (agro-industry, supplies to the tourism sector and school nutrition programme) thereby contributing to social stability and integrated rural development.

Enhanced contribution to the nation's foreign exchange earnings capacity.

3. Sustainable natural resources management and environmental protection.

Mr. Speaker, let me now deal with the policy focus for the agricultural sector. The aim of this Government is for an agricultural sector that is efficient and competitive, which:

- (a) provides for expanded employment opportunities;
- (b) ensures domestic food and nutrition security;
- (c) attracts private investment;
- (d) is characterized by sustainable development and management of the natural resource base—land, water, forests and marine resources;
- (e) generates increased foreign exchange earnings;
- (f) lays the foundation for social stability and rural development;
- (g) addresses the peculiar constraints impacting on Tobago; and
- (h) seeks to rationalize the involvement of the state-owned enterprises within the sector.

What, therefore, are some of these government strategies? Firstly, this Government regards its agriculture as strategic to the overall growth and development of the economy and the society, Trinidad and Tobago alike, urban and rural, private and public sectors.

Secondly, we see a sector which will lead to the upgrading of the physical environment and to the creation of a social and cultural environment marked by

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peace, prosperity and stability due to the way it would anchor the people in their landscape, create productive linkages among the communities and sectors that make up our nation and in the final analysis, breed the level of self-confidence required to face the ever-changing rigours of the global order.

In a word, the agricultural sector is a major part of the framework on which this government seeks to erect a programme of national unity and social integration.

Thirdly, as one of the Government's chosen vehicles for advancing the twin-goal of national unification and sustainable human development, the agricultural sector will be given a four-fold mandate:

The first is to make the commodities which Trinidad and Tobago have always exported more efficient and more competitive. It is clear that we have to streamline the production of citrus, copra, sugar, cocoa and coffee and tailor their outputs to the new liberal regime of trade and marketing already emerging in the context of Lomé.

3.50 p.m.

Mr. Speaker, we are now entering a new international trading regime. Within this context there are provisions and safeguards and indeed financial support for the transition period. It is my intention to explore opportunities to the fullest and would commence the preparation of a negotiating framework that will provide support and safeguards to the local producers of meat, food and agro processors in the agricultural sector. I therefore intend to ask my ministry officials for a negotiating framework for agricultural support within the new international trade agreement to which we expect to subscribe shortly.

The second mandate for the agricultural sector is to bring into existence for the first time, on a sustainable basis, a sector producing high value non-traditional exports such as vegetables, cut flowers, fruits, peppers, fresh fish, livestock and forest products. This, indeed, is one of our past failures and must now become one of our new imperatives.

The third mandate is perhaps the most important of all. Trinidad and Tobago now needs its agriculture to serve as a source of expanded supply of raw materials and particularly of food; to ensure food security, save foreign exchange and to create jobs.

The fourth mandate is to see our peoples anchored in the landscape in the new link among our peoples. This environmental connection is crucial to both our psychological health and our cultural development. We are a people with a great diversity of cultural and ethnic backgrounds but united in a common purpose. What unites us, Mr. Speaker, is our common experiences here in production as well as consumption. Our spiritual upliftment, therefore, needs a base to provide security of food and material supply, to deliver an affordable and adequate level of nutrition, to create jobs and business opportunities and to generate those linkages of interdependence between urban and rural life among the productive sectors. Without these linkages, our politics and development will remain communal, segmental, primal and sadly unequal. Mr. Speaker, it is the politics from which we have just recently escaped.

On these grounds alone, we must hasten to promote the transformation of agriculture, forestry and fisheries. However, there are also considerations which are more strategic in nature.

Mr. Speaker, you will no doubt be very aware of how difficult it has been to find sufficient foreign exchange to pay for all the supplies of goods and services which at this time Trinidad and Tobago urgently needs. If we expand agricultural exports we would certainly make a start in breaking out of this limitation by supplementing the revenues obtained from oil and natural gas. What we must see is the additional number of jobs and opportunities we will be able to provide if only more of our consumers could spend their incomes on services and particularly goods produced locally. In short, the road to fuller employment in permanent jobs passes through the reorganization of agriculture in order to deliver more output for consumption on our domestic market. The construction and tourist industries stand to benefit from this reorganization.

Mr. Speaker, after all, today our food import bill is over \$1 billion which translates into \$1,000 per person. This situation must be addressed as a matter of urgency.

It is in this perspective that this Government proposes to place at the disposal of the agricultural sector a wide range of facilities and resources needed for expanding production, sustaining supply and securing markets.

What are some of these proposed measures? If I may deal with increasing employment opportunities, Mr. Speaker. Through the Public Sector Investment Programme a total of approximately \$89 million has been allocated in the 1996 budget to support growth and development of agriculture, forestry and fishing in

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Trinidad and Tobago. The projects comprising this programme will facilitate the continuing improvement to the physical infrastructure, access to credit, sector reforms, farmer training as well as research and development activities.

Specific measures in this regard will include expenditure of \$42 million to finance the harmonization of the factory and field operations of Caroni (1975) Limited in accordance with the terms of the tripartite agreement to achieve enhanced efficiency within the sugar industry.

Secondly, an allocation of \$19 million under the IDB Rural Access Roads and Bridges Programme being undertaken by the Ministry of Works and Transport.

Thirdly, \$4 million under the Rural Access Roads Maintenance Programme undertaken by the Ministry of Agriculture, Land and Marine Resources.

Fourthly, a provision of \$5.25 million has been provided to implement a youth agricultural credit and training programme which combines training and technical assistance to encourage effective participation in agricultural activity by more young people. Under this programme approximately 560 young persons will be provided with training and loan facilities to establish agri business enterprises. This programme will also indirectly provide another 1000 jobs to others and thus benefits will accrue not only from increased employment but also from an increase in employment production.

As well, there is an allocation of \$20 million under the Global Agricultural Credit Loan from the IDB which will be drawn down in 1996 to enable farmers and agri business to access needed credit to finance investments which will expand productive capacity within the sector.

Further, this loan facility would be used to reorganize and streamline the operations of the Agricultural Development Bank to provide for greater efficiency and client responses.

The sum of \$1 million has also been allocated to be spent in the Oropouche Lagoon area for rehabilitation drainage works and there is the sum of \$.7 million for infrastructural development at major fishing and landing areas.

If I may now turn to food nutrition and security, Mr. Speaker. A strategic thrust towards ensuring domestic food and nutrition security rests upon a complex of actions at the macro and sectoral levels but must be pursued with vigour, coherence and consistency.

Insofar as the sectoral actions are concerned the following actions will be pursued:

- (a) Enhanced domestic production of food as technically and economically feasible.

In this regard, special attention will be paid to the livestock subsector. We will focus on the development and management of plans for the livestock industry. The main focus of attention will be on the reduction of the cost of feed to both the ruminant and monogastric subsectors of the industry.

In this regard, I intend to request my Animal Production Unit to embark on this programme with urgency. Our policies therefore for the livestock subsector will be geared towards the cost effective production of more milk, meat and eggs for domestic consumption in the short term.

- (b) Specific targeted actions aimed at encouraging food production for home consumption among disadvantaged and low income groups. Strengthening the inter-institutional linkages especially with the Ministries of Education, Health and other relevant professional and community organizations with a view to elaborating on the work of the Food and Nutrition Task Force.

The intention here is to expand nutrition education and to increase utilization of locally produced foods.

4.00 p.m.

Mr. Speaker, expanded food production will be facilitated by the distribution of 2,000 acres of land from Caroni (1975) Limited and another 7,000 acres of state lands. With respect to land measures, Cabinet has already appointed a committee to design the policy framework for a business plan to make farming lands more accessible to citizens committed to new agricultural production that will meet our food security needs. I expect the first report of this committee to be submitted in eight weeks' time as mandated by the Cabinet.

Another important measure in support of the strategy is a strengthened and extended support capability in respect of the farming community, and those involved in aquaculture. In this regard, \$575,000 will be expended in 1996 to upgrade and rehabilitate facilities at ECIAF and the farmers' training centre; \$2.4 million, an increase of \$538,000, is earmarked for CFTDI. These sums, though they may seem modest, reflect a direction that this Government intends to take with regard to training and development for fisheries, forestry and agriculture,

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enhancing the capacity of the sector to respond to the challenges which confront us. A programme aimed at home production among low income groups will be developed and undertaken in close collaboration with the Ministry of Community Development, Culture and Women's Affairs.

Mr. Speaker, I now turn to private investment in agriculture, and the *Medium-Term Policy Framework* has clearly stated that the new paradigm guiding the development of the sector provides for the promotion of increased private investment. Actions to be pursued arising out of this will be on the basis of a most careful study. A pre-investment study has already been commissioned with support from the IADB. It is my intention to follow this up with diligence and speed. Most importantly in our view, however, is the fact that we aim to bring our partners fully into the process of policy development for the sector through consultation. In other words, Mr. Speaker, the producers will define their needs to us. The intent, therefore, is to develop with people. In this context emphasis will be placed on the further development of farmers, fisher-folk, and foresters' organizations as vehicles for the development of the sector and, in particular, for people participation in the process.

In this regard, we see the need here for fuller exploration of the opportunity for the co-operative sector. The Ministry of Agriculture, Land and Marine Resources and the Ministry of Labour and Co-operatives will work closely in the development of this area. Our strategy, therefore, in terms of promoting increased private investment in the sector contributes a mix of measures aimed at, firstly, strengthening and mobilizing the small-scale farming, fishing and forestry communities through appropriate institutional, organizational development, for example, the co-operative framework; and secondly, attracting potential investors into the sector by the design of appropriate incentive packages.

I intend to hold discussions with the Trinidad and Tobago banks and private investors, small and large, on requirements for making private investments in the agricultural sector sustainable and profitable; making financing of agricultural involvement more accessible, cheaper and financially attractive; and developing specific targets to meet new production levels in the agricultural and agro-processing subsectors. With respect to the extension services, there is no question that the focus on method of extension services must change to emphasize real technology transfers for the farming community on land and sea; and delivery performance.

To achieve these goals, Mr. Speaker, I intend to explore the commercialization services in Trinidad and Tobago, offering therefore new opportunities for our current extension officers and more cost effective and targeted systems for technology and organizational change in the farming community. To facilitate this, I have asked my ministry officials to facilitate a business plan for this initiative in the context of the institutional strengthening of the ministry's delivery capability. In the latter regard, we aim to consolidate on whatever work has already been undertaken with a view to rationalizing the National Agricultural Research System in co-operation with all the players.

Mr. Speaker, I would now like to turn to sustainable development and management of our natural resource base. Our land, water, forests and marine resources must be managed and developed in a sustainable manner, so as to provide for the needs of both current and future generations. We are committed to ensuring that our policies and programmes take full cognisance of the need to safeguard the environment. We have already embarked upon a process of reviewing and updating legislation for the protection of the natural resource base and the environment. Major components of these include the Forest Act, the Conservation of Wildlife Act, the Plant Protection Act, various aspects of fisheries legislation, and legislation dealing with animal disease prevention. Of critical importance, also, are the preparations being undertaken for a National Parks and Watershed Management project aimed at facilitating the development of a National Parks Service and the development of forest resources.

A provision of \$500,000 is made in the 1996 budget to facilitate completion of the project preparation process. This project also seeks to address some of the intractable problems relating to land use and development and, in particular, to the Western/Northern Range. We are all aware of the effects of degradation on the hillsides, siltation of the waterways; flooding of the low-lying agricultural areas; damage to life and property in residential and industrial areas, undermining the integrity of the potable water supply system, and irreparable damage to the national infrastructural system. Additionally, under the ministry's Development Programme, \$1.35 million has been earmarked for a programme targeting forest fire prevention. In this activity we are collaborating very closely with the Ministry of National Security, several NGOs, and community-based organizations.

Mr. Speaker, ours is a small country in which increased agricultural production must be based on intensive production technologies. Having regard to the fragility of the environment, we will accelerate the implementation of integrated pest management approaches for the control of pests and diseases of

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crops and livestock. In a similar vein, integrated plant nutrition strategies will be deployed to mitigate the adverse effects of excessive usage of inorganic fertilizers. A draft Strategic Perspective for Wildlife Management has been developed. This will form the basis for consultation aimed at finalizing a policy and legislative framework for wildlife management and development in Trinidad and Tobago. This framework will also accommodate the agreed global arrangements for trade in wildlife species.

Mr. Speaker, sustainable development and enhanced management of our fisheries resources will be effected through the development of a new policy and legislative regime. This will be finalized through a series of consultations with the fisheries and related communities over the next six to eight weeks. In 1996, we will continue to focus on the development and management of plans for the wetland areas. The initial focus of attention will be the Nariva Swamp where we have already established a link with the International Union for the Conservation of Nature for technical and financial assistance for an environmental impact assessment study.

4.10 p.m.

Turning now to foreign exchange earnings. Our focus here is to increase foreign exchange earnings of both traditional and non-traditional export commodities. In this regard, it must be emphasised that price support regimes for cocoa, coffee and sugar-cane already exist. There is a range of proposals before the ministry for its consideration relating to an incentive regime for export agriculture. These will be examined in collaboration with stockholders and within the context of the new regime governing international agricultural trade.

Notwithstanding, we will utilize the facilities of our foreign missions, and co-operate closely with the Tourism and Industrial Development Corporation (TIDCO) and the Ministry of Foreign Affairs in the development of appropriate export promotional campaigns. Similarly, together with the inclusion of the Ministry of Works and Transport and the air and sea port authorities, a determination of the appropriateness and adequacy of necessary export infrastructure and arrangements at the air and sea ports, will be determined and appropriate policies and actions developed.

In the overall context, a critical element would be the provision and exploitation of market intelligence with a view to fully exploiting the potential of niche markets. In this regard, the National Agricultural Marketing and

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Development Company (NAMDEVCO) will have an enhanced mandate and will be expected to perform accordingly.

I now turn to social stability and rural development. Many of the measures alluded to earlier will inevitably contribute to social stability and facilitate rural development, given the location dynamics of agriculture, forestry and fisheries. However, it is necessary to emphasize certain specific additional measures which will be pursued.

We are currently engaged in the establishment of mechanisms for directing support to vulnerable producer groups and strategic subsectors which may be adversely affected by the structural changes impacting on the agricultural sector. A social mitigation programme is being developed within the framework of the Ministry of Social Development which will involve the disbursement of \$60 million.

Additionally, I intend to focus directly on the problems of squatting, both from the perspective of preventing an exacerbation of this problem and seeking through consultation to identify approaches which address those who currently squat.

Praedial larceny has a destabilizing and demotivating effect on rural welfare. We intend to confront this issue head on. The major elements of the strategy constitute reform of the legal framework and strengthening of the mechanisms for monitoring, surveillance and enforcement. In these latter aspects, we will seek to recruit the fullest involvement of the affected communities.

I am urgently working closely with the Minister of National Security and the Attorney General's office in this regard. We are all aware that this is a most vexing problem and I will pursue with vigour all efforts to remove this obstacle to agricultural development.

Tenurial insecurity also impacts negatively on investment and stability in the rural sector. We are, therefore, fully committed to the State Agricultural Land Inventory and Information System in respect of which \$400,000 is allocated in the 1996 budget.

I would now like to deal with the revitalization of agriculture in Tobago. On this matter, we are aware of the responsibilities of the Tobago House of Assembly (THA) with respect to agriculture and other matters. In this regard, my parliamentary secretary, chief technical officer and myself visited Tobago and

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met with the relevant authorities to lay the basis for future relationships. More than this, my ministry proposes to finalize arrangements for the following:

1. Certification of trade in wildlife species;
2. certification of imports of livestock products;
3. improved services by the Lands and Surveys Division; and
4. provision of an animal quarantine facility in Tobago.

It is our intention to continue discussions on these matters at our mutual convenience. This is just to reinforce my commitments in forging and strengthening an enhanced co-operative working arrangement between my ministry and the appropriate authorities in Tobago.

We will seek therefore to:

- a. Formulate appropriate policies for the enhancement of the livestock and fisheries subsectors suited to the peculiar circumstances of Tobago;
- b. elaborate strategies to address specific structural issues impacting on agriculture in Tobago, for example, transportation, marketing and support services.

I now turn to revitalisation of the agricultural state-owned enterprises.

Our emphasis in respect of the state-owned enterprises will focus initially on Caroni (1975) Limited. The tripartite agreement provides the framework within which the performance of Caroni (1975) Limited will be assessed. An index of our commitment in this regard is the allocation of \$42 million for the Capital Enhancement Programme at Caroni (1975) Limited. It is my intention to embark on the infusion of new private investment in the state-owned enterprise Caroni (1975) Limited. To this end, I would be asking the new board at Caroni to identify specific areas for the attraction of private investment in the sugar industry, in order to create new economic space that is sustainable beyond Lomé IV, as we meet the challenges facing us through the erosion of trade and preferences in the new international trading agreement.

Actions being pursued under the Agricultural Technical Assistance Programme, for which \$6 million is provided in the 1996 budget, will contribute to the enhancement of the ability of Caroni (1975) Limited at the managerial and the technical levels to meet the performance parameters set out in the Tripartite Agreement.

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Further, the company's land distribution programme will be facilitated by the reform measures being undertaken in respect of the Agricultural Small Holdings Tenure Act. This bears directly on releasing additional acreages for increased domestic food production.

Before I conclude, the Leader of the Opposition, in his presentation, queried the allocation of \$287,934,865, the 1996 estimates of expenditure for Caroni (1975) Limited, and I would like to give an idea of how these moneys would be expended in 1996.

The allocation of \$287,934,865 in the 1996 estimates of expenditures for Caroni (1975) Limited is as follows:

i) Outstanding payments to the Board of Inland Revenue for VAT, PAYE, health surcharges and land tax;	-	\$238.5 million
ii) Outstanding arrears owed to workers based on the tripartite agreement; (This is the last tranche of \$128 million)	-	\$20.4
iii) Outstanding arrears for fertilizers and pest control (frog-hopper) Government subsidizes 50% of cane-farmers fertilizer cost and 100% for frog-hopper control.	-	\$29.2
Total:	-	\$287.9

However, these sums are basically for paper transactions on both the expenditure side and the revenue side, whereby these funds are allocated through the books of the Ministry of Agriculture, Land and Marine Resources, and Caroni (1975) Limited, for transfer to the Board of Inland Revenue for the payment of outstanding statutory liabilities.

4.20 p.m.

What are some of the benefits to be derived from this expenditure? Firstly, Caroni (1975) Limited would be able to clear its books of accrued indebtedness both to its workers and the Board of Inland Revenue.

Secondly, Caroni (1975) Limited's workers would benefit from receiving their outstanding moneys which were owed to them. Thirdly, the company would be able to settle outstanding debt liabilities to its fertilizer suppliers as well as its contractors who supply pest control services for cane farmers.

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Again, before I conclude, the hon. Leader of the Opposition queried the 1996 estimates for the upkeep of the Queen's Park Savannah. Firstly, I would like to inform the hon. Member that funding for 1996 would be partially undertaken from the recurrent estimates of the Ministry of Agriculture, Land and Marine Resources, Horticulture Division.

Secondly, that previously, funding for the upgrading of the Savannah came from the divestment funds of the state. Thirdly, that for any additional works for 1996 Cabinet would have to approve and allocate funds for this purpose.

Mr. Speaker, I have attempted to highlight the major policies, strategies and actions which would be pursued by my ministry during the course of 1996 and beyond. A critical element of the necessary forward-planning is a rigorous review of the Public Sector Investment Programme as it relates to the agriculture sector.

However, to pursue this latter initiative, and to deliver on programmes and services to which we are committed, my ministry, as an organization, must ensure it remains truly efficient and effective. We have identified our strengths and weaknesses and are steadfast in our resolve to bring about as much improvement as required.

Mr. Speaker, I do not claim that this is a new start to agricultural development in Trinidad and Tobago. However, I do claim that this is a start with a new passion, a full-of-right determination and an endurance of strength to make it work. This is my sacred pledge and the pledge of my Government of national unity to the peoples of Trinidad and Tobago.

Thank you, Mr. Speaker.

Mr. Hedwidge Breaux (*La Brea*): Mr. Speaker, it is some time since you attained the office of Speaker, but since this is my first opportunity, I would like to congratulate you. I would be less than candid if I were to say that yours would be an easy passage, but I know that with your experience, I could expect you to conduct the business of the House, as you have been doing, in an impartial manner.

This modern state with its complex social and economic requirements has developed, by necessity, an equally complex system of revenue collection and expenditure disbursement to cater for the needs of the population.

Parallel with this development there emerged a class of numerically clever professionals who are able to say, with some degree of confidence and certainty,

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“Give me the numbers, relate the circumstances and tell me the result which you require me to achieve, and I would produce the results for you in the form of a balance sheet.” Such activity in the less scrupulous financial circles is charitably called creative accounting.

However, without seeking in any way to minimize or depreciate the obvious capability and skill of the protagonists of that art, one would readily admit that there is a very fine and indeed, an obscure line separating it from professional misconduct. However, be that as it may, when the activity undertaken is done with deliberate attempt to mislead, misguide and deceive the population, then regardless of how favourably disposed one may be towards the perpetrator of such an action, the moral impropriety of that act must be revealed and soundly condemned.

In the circumstances, I would like to offer my congratulations to the hon. Minister of Finance on the presentation of his first budget, notwithstanding the several false starts. I also recall that on a previous occasion when he came into this honourable House as part of another administration—and as he would say, in another incarnation—he was soundly rebuked and was the recipient of a number of verbal blows from the Member for Oropouche, and I am reminded, the Member for Tobago East. But, the person who was most harsh on him was the Member for Oropouche who is now the Minister of Planning and Development and whom, I have noticed, he has managed to supplant and reduce to a ministerial cipher.

Mr. Speaker, in spite of my good intentions, I am caught between the horns of a dilemma because I am sorely disappointed in him; that he has descended to using—if he is responsible for those figures in the budget—his considerable financial skills on the budget rather than making the statement truly reflective and a fair presentation.

Having regard to the wafer-thin majority that the coalition Government has, and with regard to my own concerns for the exchange stability of this country, I would really have liked to come here and to give critical support to this Government because it is our country. I would really have liked to do that but, unfortunately, if these are his figures, I must say that I am ashamed of him. If these are not his figures then I am seriously surprised that he would permit himself to be misused, abused and humiliated to produce a budget with such variances between the budget statement and the fiscal measures.

Mr. Speaker: Hon. Members, in accordance with Standing Order No. 10, the sitting of the House is now suspended for tea until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Mr. H. Beraux: Mr. Speaker, before we took the tea adjournment, I was saying that I was uncertain whether to congratulate the hon. Minister of Finance on his budget presentation, to chastise him or to commiserate with him. The basic reason was that there were so many discrepancies between his statement in the budget and the actual effect which the fiscal measures would have. To demonstrate this, the statement said, reduce taxation, and indeed, something was done to reduce the level of income tax from 38 per cent for the highest bracket, it was brought down to 35 per cent; and from 33 —30 per cent following a trend set by the People's National Movement Government.

If I understand my daughter, who said she saw me via the television, nodding in agreement, it is because I was pleased to see any simplification and reduction of the income tax rate. But on one hand, the Minister appeared to have reduced the income tax rate and then on the other hand removed the tax credit from the Unit Trust purchases, signalled the removal of the credit in respect of credit union shares, and more importantly, reduced the mortgage allowance by \$4,000.00.

When I heard the presentation concerning the removal of VAT on some basic food items, although it is only those items which would not have a very serious impact on the diet, I was pleased. When one looks at the basket of items which were zero-rated, as one roti vendor commented, indeed, the price of curry alone cannot bring down the price of roti. And, as my maid said, if they wanted to do something about the price of food; rice, flour, sugar, oil, those are the kinds of things they should address. Worse, they also removed the duty on imported goods, and I understand today, that even those members of the business community who had been high in their praise at first blush of the budget, are now saying that the effect of the removal of the duty, that competition, is likely to cause a fall-off in business, unfair competition from abroad, which will eventually lead to retrenchment.

Then, there was talk in the budget about increasing savings and investments. What do you have? The credit union is one of the institutions in this country to which the poor man, and those who are not so poor, can go to apply for loans. The credit union movement has been called a sleeping giant. The interest rates

from credit unions are lower, the arrangements for credit are reasonable and geared to cater to those whose credit ratings cannot stand the scrutiny of the banks. What do we have? They have signalled that they would remove the allowance in respect of the purchase of credit union shares in the 1997 budget, if they last that long.

When one thinks about it, one would find on the one hand, they are talking about savings. Anybody who follows the investment behaviour of people would know that around December of each year there is a rush to make sure that the shares in one's credit union reaches that 25 per cent level, so that one would be able to get the tax credit. Further, what has happened? They have now threatened to remove it. The reason given by none other person than the hon. Prime Minister, and obediently followed by the Minister of Labour and Co-operatives, was that there are some credit unions that have problems and there are some people who have investments and have not been able to collect their investments, and they have sent this signal for them to put their house in order.

Mr. Speaker, I can recall there were non-banking financial institutions in this country, and I could name several, that had financial impropriety going on. Yet, the Government of those Members on the opposite side did not seek to remove any benefits.

What was done by the PNM Government, of course, was to introduce the Financial Institutions Act in order to regulate the operations of those non-banking financial institutions. Moreover, the credit unions are already regulated to a certain extent and one would have expected that the Government, by law, which has as its leader, a man whom we all know purports to be a defender of the small man, would have found some method to deal with credit unions, to strengthen the institutions, to regulate them; to give more money to the Ministry of Labour and Co-operatives or to the Ministry of Finance, whichever area is controlling the co-operatives. In that way they could assist in strengthening the institutional framework to provide training in order to ensure that the moneys of the various persons who had invested in credit unions would be safe, rather than taking away the incentive to save through the credit unions.

5.10 p.m.

We come to the other point. In the same budget there is a reduction of the duty and the motor vehicle tax in respect of some motor cars. I am saying that I applaud any measure that would seek to reduce the price of vehicles and thereby

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the cost of transportation. On one hand, the Government is getting ready to give pressure to credit unions, and on the other hand, in reducing the customs duties and the motor vehicle tax, they are sending the signal of rank consumerism to the population. One sees these contradictions in the budget. They say one thing and practise another.

There is the stated policy of the intention to increase employment through construction. We all recognize that the construction sector is one that provides quick short-term employment. The Government does several things. Firstly, they reduce the ability of persons to claim that mortgage allowance, so immediately, they put a damper on persons purchasing houses. Remember, it was \$24,000 and now it is brought to \$20,000. If the housing sector improves, employment will improve additionally.

Now I get to a company that is close to my heart. I must thank the Member for Tobago East for giving me the opportunity to be Chairman of Trinidad and Tobago Mortgage Finance Company.

Miss Nicholson: This is because we are not biased. We seek the ability around.

Mr. H. Bereaux: That is why I thank you.

Trinidad and Tobago Mortgage Finance Company was and still remains a company that performs superbly and provides low-cost mortgages to a number of persons. I do not like to use the term “small people” and “big people” because we are all adults. It is a question of people in the lower income bracket. It was the company that dealt with the IDB loan. What do you find? There is an income level. If one’s income is above a certain amount one cannot go to that company to borrow. There is a situation where previously, the government funded the company. Now because of the inability to fund the company to ensure that it could provide loans, the company has been given the opportunity to go and raise loans on the open market in the form of tax free bonds. The credit in respect of those bonds is being taken away.

How does the Government expect to improve, resuscitate and revitalize the construction sector, when it removes the ability of TTMF to provide loans for those persons who work for less than \$2,500 per month? If one works for less than \$2,500 per month, one is likely to fall in one of those low tax brackets or just on the threshold of it. The Government is removing the ability of TTMF to fund mortgages and this is being taken away from a company that has performed well

over the years. Last year the company raised \$63 million with those bonds. That is the kind of contradiction I am seeing.

That was a company which would pay its taxes and then pay dividends to the shareholders. What happened is that prior to the introduction of that dividend income allowance, the dividends in the hands of the taxpayer were then taxed again. There was this dividend income allowance in order to encourage people to invest. One way in which a country can advance economically is if the level of national savings is increased. On one hand, the Government attacks the credit unions, the smallest saver, and on the other hand, it removes the dividend income allowance, and it is even attacking the persons who have the extra cash to deal with investments in public companies. To crown it all, they take away the government tax free saving bonds.

Where are we going? As I said before, I would seriously like to support some of the measures they bring. How in the name of what is reasonable could the Government expect to bring such contradictory measures in a budget? The contradiction continues.

Many of the investments in respect of equity have been put there by pension funds, such as the National Insurance Board because they are looking for yield on the dividend income allowance. Now that avenue has been closed.

5.20 p.m.

We come to a series of contradictions in the budget, but I will come back to that. I just wanted to use that to demonstrate to this honourable House that my initial salvo at the Minister of Finance was not prompted by malice, as I hold no malice for him or anyone else on that side.

Let us now go to the Minister of Energy and Energy Industries. For some reason, I think he has fled. *[Interruption]* Oh, he is here. When the Minister began his contribution, I looked at him with admiration because I realized that good technocrat that he is, he was following the advice of his technocrats. I saw in his presentation substantially good advice which they would have given him because I know some of the origin of that advice. However, he permitted politics and unwise political advice to make him stray.

Before I get to that, I support the demonopolization of NP, but I hope it is not only so that they will give their friends and others gas stations. They named a state company several times and told about the number of years it did not make

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profits in the refinery, the refining business being as hazardous as it is. The Government had guaranteed a loan for that same company. What they did not say was that whilst the refinery was losing money, exploration and production was making money. The problem of the company was that it was unable to get the retail benefit at the tops. I expect that they will really level the playing field and not only think about giving those financial backers of theirs the gas stations but will let the state company have them. I know their very good supporter in the OWTU will support that.

Mr. Speaker, I represent the constituency of La Brea and much heavy weather has been made about what is going on there. I notice also that when certain areas of this country are poised to receive any fair opportunity, the attack comes fast and furious from several quarters. I need to point that out first and I will go into some history to explain. The Minister started to do it. He is a very good project engineer, but that is all he knows about oil.

The south-western portion of Trinidad, and the county of St. Patrick in particular, has been supported by the oil industry, and has produced substantial revenues for this country from the oil industry, which for a long time meant crude oil production, refining and sales. However, the reality of the crude oil industry in Trinidad and Tobago today is that because of the inability of the country to find any substantial new deposits of oil in the recent past, whether by foreign or local investors, we have either found oil or gas and the closest we have come to oil is gas rich in condensate. Gas is a peculiar and substantially different substance. Although it is defined as petroleum, it is different from oil. There is no set market, no set world price and its marketing is difficult. What one has to do to monetize the gas is to go downstream into methanol, NTB, ammonia and LNG. LNG is not so much downstream, it is the ability to sell the gas abroad. I will not explain it for the Members opposite. I know that the goodly Minister will explain what it does. That is the case.

The first experiment in respect of trying to monetize the gas by going into other industries which utilizes gas was in Point Lisas. Point Lisas, I know, is in central Trinidad, in the constituencies, I think, of Couva South and maybe Couva South or Chaguanas, I am not sure, but definitely in central Trinidad. These are constituencies which have been represented by the Members opposite for a long time, but we will displace them next time. So, when they speak about PNM policy and about not putting investments in areas other than PNM areas, they really do not believe it, those are statements really of political expediency.

That was done in 1976, and today there is in Point Lisas ammonia plants, methanol plants, a steel mill, iron carbide, lube oil blending plant, electric power generating plant, natural gas liquid recovery plant, nitrogen plant, industrial gases, downstream steel industries, general cargo handling and a number of other smaller industries.

5.30 p.m.

To the extent that Point Lisas was built on reclaimed land, 65 per cent of the acreage in Point Lisas has been utilized to put in plants, and because of some of the land in Point Lisas being recently reclaimed—by that I mean about a few years ago—there is some difficulty in utilizing in its entirety the remaining 35 per cent for any large plant at this time.

The PNM Government, recognizing the situation and needing to attract industry, looked for a site, they checked Chaguaramas, Point Fortin, Forest Reserve and Roussillac but because of wet lands situation there and because of the world environmental concerns we could not put the plant in Roussillac. The Opposition would have opposed that too because it would have been in the constituency of La Brea.

In looking at those sites several considerations were met. I want to read the selection criteria:

“The concept of an industrial estate must be looked at as an efficient layout for the delivery of raw materials and feedstock, an adequate supply of utility services, an efficient operating process and a practical option for transportation of finished product to its final market.”

[Interruption] I will deal with you and water in due course.

“All of this has to take place in an environment that is kept in balance.”

Several locations were considered. I continue to quote:

“1. Close proximity to a natural deep water harbour or an area that could be developed into a deep water harbour as most of the products are for export.”

It is known that La Brea has the best deep-water harbour in Trinidad and Tobago. The quote continues:

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“2. A contiguous parcel of land of a minimum area of 500 hectares (1250 acres). There should also be land available for possible expansion...”

For Members’ information, the site on which that estate is earmarked to be located is 1600 acres and not 100 hectares as the Minister in his presentation would encourage Members to believe.

“3. The proposed site should preferably be owned by Government or a State Enterprise to facilitate easier acquisition of the land.

4. There should be a minimum of land tenants/settlers to facilitate easier acquisition of the site.

5. The existing land-use on the proposed site should be marginal in nature.

6. The proposed site should ... be located in an area where the necessary skills for construction and process type plant operations are readily available.”

We, in the deep south have built plants and have been in the oil industry for close to 100 years—the skills are all there. I will deal more with the skills shortly with the Member for Tabaquite.

“7. The proposed site should fall within an area zoned for industrial development to facilitate granting of the necessary statutory approvals for development.

8. The topography on the proposed site should be such that plant benches could be constructed early, it should also be free from drainage problems.

9. ...basic social infrastructure, housing, hospitals, police stations, post offices...”

A study was done and this is why the La Brea/Brighton site was chosen. The area was found to satisfy most of the site selection criteria. The site was already zoned for industrial use. There were certain oilfield operations, a refinery and the lake asphalt in the same area, suitably set back from existing built-up developments and no major environmental impacts from a preliminary assessment. The land is owned by Petrotrin, a state enterprise, so the acquisition was easy, a minimum of settlers and tenants on the chosen site. The existence of a

natural sheltered deep-water harbour. The Brighton pier and the Sobo jetty have accommodated large vessels for years even without dredging. We found that they got approximately 650 hectares.

The hon. Minister would have Members of this Parliament believe that some hoax was pulled upon the investors; that the LNG investors did not know about the nature of the land. Nothing is further from the truth. When the site was chosen they found that there were no major environmental factors constraining the establishment of an industrial estate in the identified La Brea area. The entire site was investigated for the purpose of establishing major industrial plants. The results indicated that limited areas, both north and west of the Pitch Lake, approximately 100 hectares, may be unsuitable for use, mainly due to underground pitch-flows, which would render foundation performance uncertain and unreliable.

The LNG investors looked at that and weighed the other benefits of the site and were willing to go on notice about the 100 hectares. It is interesting to note that Atlantic LNG never indicated that the nature of the proposed foundation had anything to do with their desire to depart from the La Brea site. What happened, as was conferred by the hon. Minister, in his presentation about the inability of the company to plug and abandon the wells in the required time in order to permit Atlantic LNG to—

5.40 p.m.

Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Mr. H. Breaux: Mr. Speaker, as I was saying, the risk was that the Atlantic LNG plant, having been directed to sell all the products that were going to be produced by the LNG at a certain date, since they were unable to plug abandoned wells to permit them to build and be ready, then had to choose another site. I want to explain also the difficulty in plugging an abandoned well. You see the situation with the wells is that some of those wells have been there for 17 years. The casing is steel and it will rot if it is put in the ground for years. Additionally, when some of those wells were abandoned they salvaged the casings and the well heads in

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order to use them elsewhere. It is well known that given time they will plug those abandoned wells properly.

The contract, as the Minister well knows, provides for the contractor who was charged for the plugging and abandoning of the wells—*[Interruption]* What I was saying is, that they had pulled the casing and as a result of that actually finding the well was difficult. Because of the peculiar nature of steel in the ground after 70 years we had a situation where if you try to plug it sometimes you may—but there is provision in the contract for doing that and it is being done.

What I am really concerned about is that the site, all those pitch creep problems, or any sub-soil problems, in respect of a pitch creep, only exist in a peculiar 100 hectares area of the site. So to come now and try to give the impression that the difficulty of doing the foundation is what will prevent the Government from continuing with the estate is really finding a reason for not continuing with the estate, but that is not the real reason. The real reason is that the Member for Oropouche was on the political hustings threatening and indicating that if he became Minister of Finance, he was not going to give any money for that site. He did not get the Minister of Finance post, he is now the exalted Minister of Planning and Development, and that is the reason they are trying all sorts of subterfuge now. *[Interruption]*

Mr. Sudama: Mr. Speaker, is the Member implying that I stopped the LNG plant at La Brea? Is that what the Member is implying to this House?

Mr. H. Béréau: As I was saying, Mr. Speaker, during the—*[Interruption]*

Mr. Speaker: The Member who was enquiring whether I have changed the rules would be advised that no rules have been changed, that simply has to do with his asking the Member to give way. The Member has not given way. He has not risen on a point of order, and the Member should know that.

Mr. H. Béréau: Mr. Speaker, I gave way but I am going to continue, he would get the answer in due course. As I was saying, that was what they said on the hustings and they are now keeping the promise to the people of La Brea by trying to get rid of that in a circuitous manner.

For the records I want to give some indication as to the various areas. The site was to be prepared in four phases.

Phase	Features	Plant Types
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I	170 hectares 70% of area has gentle slope 30% has rolling topography 1 km set-back to built-up area Some pitch in sub-soil	Large plants that require access to port; LNG, Ammonia, Methanol, MTBE, etc.
II	160 hectares rolling topography good foundation soil set-back distances to built development varies: 0 to 1.5 km	Transitional (light) industries along west edge; Heavy industry that require access to port; Methanol, MTBE, etc.
III	210 hectares rolling topography good foundation soil large set-back distance to built development from most of area	Transitional (light) industries along N-W and South region; Heavy industries in rest of area.
IV	110 hectares rolling topography good foundation soil large set-back distances from built development long distance of 4 km from Port	Heavy industries; Service and support industries;

When I hear all the various commentators speaking about the lack of information on that site, about the geotechnical and the depths, I am very amused because boreholes had been done. That area—as the Minister commented—had a number of oilwells, do you think the oilwells were drilled in the sky? No, they were drilled down and there are logs to tell the nature of the sub-soil and the logs

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were used to determine what was going on. Mr. Speaker, we have a situation here where the only part of the site that has any sub-soil problem is a small area of 100 hectares, because when one speaks of La Brea everyone thinks about La Brea in the immediate vicinity of the Pitch Lake.

This site moves from Brighton right down through Vessigny into Vance River. It is not in the village of La Brea alone and when an attempt is being made to prevent and stop development—I am saying here in this honourable House and before the national community that if there is any political discrimination—as you all are trying to do to prevent my constituency from getting what it deserves, that I will take it to the Human Rights Bureau. I will take it abroad. *[Interruption]*

5.50 p.m.

Miss Nicholson: What could they do?

Mr. H. Béréaux: Mr. Speaker, the Member for Pointe-a-Pierre is trying to find out how many cases I won, but I noticed he was extremely interested when I was talking about flooding. *[Interruption]*

As I was saying, there was a development strategy set in place and I want to give you an idea. There was the plug and abandonment of wells; abatement of asbestos containing material; remediation of oily waste; relocation of petroleum infrastructure and construction of the estate corridor in Phase I. This work has been done. Additionally, there was also the need to build a construction dock. The work has been done and I was pleased to hear the Minister on that. I can tell when he is repeating what his technocrats told him and not what his colleagues told him. Usually he is very correct when he says what his technocrats tell him because he is a professional himself. He said that the enhancement of the natural harbour facilities in La Brea will also enhance the possibilities for Trinidad Lake Asphalt which has been there for a number of years, and today as we stand here, Trinidad Lake Asphalt has to take its export product by road to Point Lisas. Before the natural harbour and the deep-water harbour are completed, Trinidad Lake Asphalt will be able to ship from La Brea. And I want to remind the Member for Tobago East that it was under his administration that another purportor, who appeared on television—on TV 6—sometime ago purporting to be an expert on La Brea, closed the jetty and put 104 persons out of work, and for some reason or the other, started to transport the pitch to Point Lisas to be shipped abroad.

You see, Mr. Speaker, even with the plugging and abandonment of wells that was done, a big hullabaloo is being made that Petrotrin indicated that they would not be responsible if the wells were plugged and abandoned, properly or not. I want to tell the Members on the opposite side and –

Mr. Assam: The Members on the Government side. You all are the opposite side.

Mr. H. Breaux: - I want to tell them that Petrotrin is well represented in law and we always avoid liability unless it is absolutely necessary and it was, in fact, agreed that they do it. That is the normal thing. You do not take on a job to plug and abandon wells for a development and then accept liability. You do not do that. That is good risk management done by good lawyers. So that was one of the things.

As I pointed out before, the entire situation with respect to the La Brea industrial estate has to be looked at from the development of the area. The crude oil part of the petroleum industry is in decline at this time and the good wishes and the great aspirations of the hon. Senator and Minister of Energy and Energy Industries notwithstanding, on the horizon we see gas. And anytime you seek to remove an Industrial Estate that will deal in gas-based industry from the southwest peninsula, you are trying in a subtle way, to keep that area depressed, and I must speak seriously. The Member for Oropouche, should know because his constituency is in the county of St. Patrick also. Are you not concerned about your constituents? We carried the economy of this country on our backs for years and now we have an opportunity to benefit from the natural resource of the country and I am hearing people, for narrow, political reasons trying to stop it. I do not want anyone who has never been in the oil industry or in that area under pressure to tell me anything about that. I know it.

I just wanted to point out some of the areas and considerations that went into the choice and I am saying to people that Texaco had a refinery on that site with big tanks, so the question about whether or not the site can take heavy industry or buildings is not really debatable. It can, with the right type of foundation. Remember the LNG partners Cabot, Amoco and British Gas were willing to do it, but the time factor is what hindered. I am charging and sounding a warning to those persons who will be charged with making an assessment on that side, that you make an honest assessment and do not permit any politician, for his narrow political aims, to cause you to do other than what is your honest professional duty.

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Then some people spoke about how much money was spent and much of that money was spent in the dredging of the harbour that would be utilized.

6.00 p.m.

It is the dredging of that harbour that enabled Farmlands and Mississippi Chemicals to be ready to go there on time. I have spoken to persons who know the chemical industry and an expert explained to me that Farmlands did not only go on to the Golf Course purely because the other side would not go. That was not the reason at all. The reason was—and a projected reason; this is an expert looking at it—that Farmlands is an ammonia company; Farmlands is a co-operative in the United States with a number of farmers and they obviously anticipate putting urea close to it. Therefore, since both ammonia and urea can be pumped, they snatched the opportunity to come closer to the harbour.

Mr. Speaker, may I tell the Member for Fyzabad, my neighbour, that I am pleading for his constituency, and if he has no influence over his colleagues I would deal with them for him. *[Interruption]* That is real national unity.

I just thought that I should take the opportunity to go on to a few other points. I want to point to some other areas such as water. Some time ago, La Brea, particularly the La Brea section of that constituency, had difficulty with water for a while and the problem was being addressed. Since this Government came into power it appears as though it has picked La Brea on which to put special pressure. But, I know why they are doing it. While they are putting pressure on La Brea on one hand, they are coming down and promising other things on the other hand.

I wrote the Minister of Public Utilities on three occasions pointing out the problems which the constituency of La Brea has in respect of water and naming the villages. What does he do? He and his ministerial colleagues, the back door colleagues, come into my constituency and meet one of my constituents in Oropouche and after they leave their minions follow and tell my constituents in Vessigny and Sobo that if they join the UNC they would get water—and collecting \$10 for membership. *[Interruption]* Mind you, I did not say that the Minister did it, but that will teach you in future when you come to my constituency, you must have some respect and come with the parliamentarian if you are unable to control your minions. *[Interruption]*

Hon. Member: Is it human beings he is talking about as minions?

Mr. Speaker: May I advise the Member that he has five more minutes. May I also advise other Members that they should not make aspersions on this side.

Mr. H. Breaux: Mr. Speaker, I also want to make another point pursuant to a statement made by the Minister of Trade, Industry and Consumer Affairs. Every industry established must have a training component. May I tell him that an ammonia plant will be put in La Brea. Through the initiatives of the Member for La Brea, we have been able to secure a building to put a vocational school, and during the reign of the previous administration steps were taken through MIC to get that done. I have looked in the estimates and development programme and you have put nothing for it.

In spite of the claim that you are thinking about training and technology, I see that the sum of \$28 million which was to be set aside for heavy industry training has been reduced to \$12 million. I am holding you responsible.

As I look across and see the Minister of Education, the man who makes it his business to send public servants on vacation—it is a pity I do not see the Member for Couva North here but you, Sir, by your behaviour I will have to rename you “Caligula's horse.” You are the worst political appointee since Caligula made his horse a Roman Senator.

Hon. Member: Envy!

Mr. H. Breaux: Mr. Speaker, I do not want to overstay my time but may I state that the people of La Brea are looking on and are prepared for any action duly led by their parliamentarian.

Thank you.

The Minister of Social Development (Hon. Manohar Ramsaran): Mr. Speaker, I extend my heartiest congratulations to the Minister of Finance for his skillful presentation of the 1996 budget. He reminded me of some political mottos I heard recently. The Minister of Finance has certainly made the difference in his budget statement by putting people first. With the reduction of personal income taxes and, more particularly, the non payment of income tax by the lower income earners and the zero-rating of basic foodstuffs, the people of Trinidad and Tobago have been given a chance.

It is also known that the hon. Minister has removed the customs duty on a wide range of items commonly referred to as basic food items.

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As Minister of Social Development, I am very concerned with the number of citizens living below the poverty line. My Government took the conscious decision to forego millions of dollars in revenue thereby making these basic foodstuff available at a reduced price to all our citizens. This is in keeping with our promises to reduce the number of people living below the poverty line.

When one gleans through the newspapers and sees that there were immediate price reductions on these basic commodities it would seem that our measures have already had positive impacts.

6.10 p.m.

Mr. Speaker, what I am alluding to is that my Government has taken some positive steps in the 1996 budget to reduce the level of poverty in the country. Having heard the hon. Member for La Brea, I understand why the Member for Couva North, whilst in Opposition, always made a reference to the Member for La Brea that, as a lawyer, he has never won a case in court. *[Interruption]* I would also like to assure the Member for St. Ann's East that what is good in my ministry will be kept polished and used, and what is bad will be thrown away.

When I assumed ministerial responsibility as the Minister of Social Development, I found a ministry with people full of ideals and ideas. They seem dedicated to assisting the poor and destitute of this country. However, the tardiness of the previous administration to enact simple legislation, for example, the amendments to the Old Age Pensions Act, Chap. 30:02, leaves much to be desired. The proposed amendments were taken to Cabinet in May 1994, approved by Cabinet on June 19, 1994, since then no further action was taken. The point, Mr. Speaker, is that follow-up actions were slow. Caring was not shown by the former administration.

I belabour the point, Mr. Speaker, as several of the laws governing the ministry's operations are outdated and hinder the effectiveness of its programmes. Consequently, in 1996 I intend to expedite action to facilitate the amendment of critical legislation, in particular, those relevant to old age pension, adoption, domestic violence and national insurance.

Years of dedicated work by the officers of the Ministry of Social Development is stacked away in filing cabinets. Sir, like the clearing of Wallerfield, I plan to remove the dust and deliver to the nation what has taken years of hard work by my staff. *[Desk thumping]*

Mr. Speaker, let us look at measures taken by the Ministry of Social Development to improve its performance in 1996 and beyond. During 1996 I propose to improve on past efforts as well as introduce new proposals to strengthen the capability of the staff of the Ministry of Social Development to efficiently and effectively perform their functions.

Among the measures proposed are:

1. Review of the technical staffing requirements of the Social Welfare Division and computerization of old age pension and public assistance functions;
2. Strengthening of the National Alcohol and Drug Abuse Prevention Programme, (NADAPP);
3. Recruitment of staff for the National Family Services Division;
4. Institutional strengthening of the Research, Planning and Implementation Division (RPID); and
5. Training of staff of the Probation Department.

Mr. Speaker, a review of the technical staffing requirements of the Social Welfare Division will indicate the widespread increase in the number of poor and socially displaced persons who seek help from the local board offices of the Social Welfare Division. This has resulted in an unacceptable increase in the workload of officers. It was noted that the average caseload of most of the Social Welfare Officers was over one hundred per month. Such serious job overload has had negative implications for the success of many of the division's programmes, especially in areas where additional manpower is required.

In light of this, the ministry proposes, in the very near future, to seek Cabinet's approval for filling vacancies in the Social Welfare Division. The training needs of staff in relation to the acquisition of skills to treat with new social problems now pervading the society, as well as improved accommodation at local board offices, will also be addressed.

During 1996, the ministry, with assistance from the National Information Systems Centre, plans to improve computerization of the Social Welfare Division. In this regard, more computers will be purchased and training of all data entry personnel will be completed. The division also intends to begin "live" data entry on computer diskettes at local boards to facilitate old age pensions and

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public assistance cheques production, and would also initiate a programme of cheques reconciliation.

When completed, this effort will result in many benefits to the division, the ministry and those members of the public who access the services of the Social Welfare Division.

Mr. Speaker, I turn to the strengthening of the National Alcohol and Drug Abuse Prevention Programme (NADAPP). There is a serious problem with drugs facing this country and we have a staff of five or six people to service Trinidad and Tobago. In January 1996 the ministry sought Cabinet's approval to upgrade the level of staffing for the Secretariat of NADAPP. This move is seen as necessary to strengthen the organizations's capability to carry out its functions which include:

1. The provision of material on all aspects of drug abuse, prevention and control;
2. Collection and distribution of statistical data on drug use; and
3. Evaluation of community based proposals.

Very soon, NADAPP will be involved in the implementation of Phase II of the UNDCP funded project of assistance to the Drug Demand Reduction Programme. It would, therefore, need a full complement of staff to successfully implement this project, which involves community prevention, treatment and rehabilitation, and research.

During 1996 efforts will be made to further increase the number of posts on the establishment of the National Family Services Division. The move to strengthen the capability of the division was propelled by the requirement of several pieces of legislation inclusive of the Children (Amdt.) Act, 1993 and the Domestic Violence Act, 1991, which mandate the services of public officers qualified in social work to intervene on behalf of children and victims of domestic violence.

With regard to the institutional strengthening of RPID, the ministry has enlisted the services of consultants under the Investment Sector Reform Programme to develop and implement mechanisms to assist its Research Planning and Implementation Division to better formulate and implement measures aimed at addressing the needs of the socially-deprived in the society. To oversee the implementation of this project, the Steering Committee comprising

representatives of the Ministry of Social Development and a consultant firm, Price Waterhouse Management Consultants Ltd. was established.

The ministry proposes during 1996 to implement the recommendations contained in the action plan which involves training of the Research Planning and Implementation Division and the procurement of additional computers for the Division.

Training of staff for the Probation Department will take place in 1996. Probation Officers will be exposed to a training programme to increase their knowledge and skills in the area of domestic violence. The programme will cover areas such as causes of domestic violence; detecting spouse and child abuse, and crisis intervention strategies.

Training for staff will continue to be an important strategy of the ministry to ensure a fully equipped cadre of social workers to deal with the problems of our society.

6.20 p.m.

Plans for 1996:

As one of the key players among the social sector, this ministry provides a wide range of social services encompassing non-contributory and contributory security benefits, probation and legal aid services, family and adoption services, and substance abuse rehabilitation. The ministry seeks to protect the vulnerable and disadvantaged and to promote a better quality of life for all citizens through the provision of an integrated social delivery system.

These services are delivered largely through its various divisions of:

- Social Welfare/Adoption Board,
- Social Help and Rehabilitation Efforts,
- National Family Services,
- Probation,
- Legal Aid and Advisory Authority,
- Population Council.

Through its numerous social programmes the ministry has been providing, and continues to provide, support for members of the family, including children,

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youth, the elderly, the disabled, recovering addicts and the socially displaced, many of whom have been able to regain some measure of dignity and self-worth. In addition, the ministry provides technical and financial support to many non-government and voluntary organizations to assist them with the provision of social support to the vulnerable public.

While the ministry will continue to provide the traditional assistance services, for example, public assistance, old age pension, legal aid and probation services, in keeping with this Government's mandate, the ministry will seek to develop policies and programmes which aim at improving the welfare of the poor, the homeless, the dispossessed, the sick and the handicapped.

Poverty:

The eradication of poverty will be high on the Government's agenda for 1996. In this regard, the ministry proposes the establishment of a number of poverty assessment teams comprised of representatives of the public and private sectors, community-based organizations and NGOs to formulate poverty alleviation programmes and monitor their implementation.

Arising out of the World Summit for Social Development held in Denmark in 1995, a National Co-ordinating Body will be formed to ensure that recommendations are carried out. This country will also join with the international community this year in the observance of International Year for the Eradication of Poverty as designated by the United Nations.

As part of the Government's overall strategy to improve the welfare of the poor, a review of the services provided by the National Insurance Board will be conducted. The review will determine the best formula for revising contributions and benefit rates as a means of bringing them more in line with the current cost of living. Efforts will also be made to consolidate contributory and non-contributory payments within the framework of a more integrated social security system. A committee has been formed under the chairmanship of the Minister of Finance to undertake this review as part of its mandate.

Assistance in the form of micro enterprise and training and development grants, will continue to provide to recipients of public assistance and other needy persons to facilitate their involvement in micro business projects and programmes of training which will enhance their employability. This programme will be reviewed in 1996 with a view to improving its effectiveness and coverage. A

similar project providing grants to a maximum of \$3,500.00 will also be available to victims of domestic violence.

An evaluation of the Social Help and Rehabilitation Efforts (SHARE) Programme will be conducted to determine its impact and effectiveness. An expansion of this service to cater to 8,000 persons daily is also envisaged. This will necessitate the greater involvement of non-governmental organizations.

Crime:

Government is determined to address every aspect of crime in the country including youth crime and juvenile delinquency and has advocated in addition to other measures, a proactive approach to the problem. In this regard, this ministry, through a committee appointed by Cabinet to implement the recommendations contained in the Juvenile Delinquency and Youth Crime Report compiled in 1994, will continue its efforts at addressing the problem of youth crime. The committee will be considering alternatives to custodial sentences to youthful offenders.

The current practice of placing young offenders at the Youth Training Camp (YTC) during intervals at court proceedings or while awaiting admission to an approved school is of particular concern to this ministry especially given the fact that these offenders cannot participate at programmes at YTC since they have not been committed to the institution. Therefore, no development takes place and they remain in a state of stagnation. The ministry has therefore formulated a project which involves the establishment of remand homes to temporarily lodge young offenders in an environment which will expose them to rehabilitative programmes.

The ministry also plans to expedite the establishment of probation hostels to provide temporary replacement for probationers for a maximum period of 12 months in a home environment, under the supervision of a house mother and father. Residents will be exposed to remedial programmes to help them deal with their problems and to assist them with their integration into society. Opportunities for skills training and employment will also be pursued.

Recognizing the importance of an environment conducive to rehabilitation, the ministry plans to continue modernization of the St. Michael's School for Boys. In keeping with the recommendations of the Minister of Finance, programmes will also be developed to assist victims of crimes who are deemed in need of the same.

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The Family and the Children:

Government recognizes that one of the contributory factors to the present crime situation in the country is the disintegration of the family structure. In this regard, the ministry intends to implement measures to strengthen the family structure and provide adequate facilities for its members, especially vulnerable women and children.

Some of the measures relevant to the protection of children at risk are:

- 1) The creation of a network of foster homes to provide temporary care for children;
- 2) the establishment of a halfway house and night shelter for ex-residents of children's homes;
- 3) the setting up of low-cost day care centres for children of vulnerable families, especially female-headed households;
- 4) the establishment of a drop-in centre for socially displaced children (the increasing numbers of children who roam the streets both in the capital and outlying districts).

The Elderly:

Senior citizens, though generally considered fragile and vulnerable are regarded as a very valuable resource and are capable of making meaningful contributions to social development. As a consequence, Cabinet approved the establishment of a senior citizens bureau involving the development of a skills bank which will be accessible to individuals and organizations as required.

Persons with Disabilities:

The ministry also has responsibility for addressing the needs of persons with disabilities. In an effort to improve the quality of life enjoyed by this group, an operational plan for the implementation of recommendations contained in the policy on persons with disabilities is being developed. The policy covers areas such as accessibility to public buildings, facilities, employment opportunities, health and education.

Substance Abuse Prevention and Treatment:

Over the last two decades, several indicators have suggested an increase in the availability of illicit drugs to the population. However, while it is generally

believed that the overall drug problem is having an increasingly debilitating effect on the health, security and general well-being of the nation, there exists no comprehensive and on-going assessment of the situation to provide concrete data on the full magnitude of the problem. Such assessments are needed to better inform policy and programme planning. Consequently, work will continue on the UNDP Funding Demand Reduction Programme in 1996 when Phase II is expected to start.

What I am doing is outlining the work of the Ministry of Social Development which, to my mind, has been put on the back-burner, seeing that we take care of almost the entire population who needs help and assistance at some time or the other.

This phase will attempt a comprehensive and integrated response that would tackle the problem from all fronts, simultaneously. It would underscore the importance of research in providing reliable information for policy and programme development and it would also seek the modification of human behaviour through public education and positive influences on attitudes and values.

The ministry notes that prevention through education should be a continuous process which takes into consideration the psychological development of the child; the training of teachers; professionals and community leaders to deliver programmes; the fostering of an appropriate socio-cultural-economic environment for the effective delivery of such programmes and the treatment, rehabilitation and social re-integration of addicted males and females.

Efforts would be made to continue previous initiatives namely:

- (i) Public education and intervention programme in schools;
- (ii) Grants to community organizations for the conduct of substance abuse intervention programmes;
- (iii) Training of community leaders to better understand the drug problem and effectively work with high risk groups; and finally,
- (iv) Reforming the school curriculum to include issues of drug abuse and prevention.

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All efforts will also be undertaken to finalize the master plan on drug control in 1996. This document seeks to summarize Government's policies, priorities and responsibilities in the area of drug control, and identifies specific issues and objectives which may be best tackled in a regional and sub-regional framework.

Restructuring of the system of managing social services in Trinidad and Tobago:

Mr. Speaker, social services are currently dispensed through various ministries, Government departments, NGO and community groups operating in the country. Together these agencies and organizations provide a wide range of services to the public, much of which is funded by Government. During 1995, for example, Government, through the Ministry of Social Development, provided \$21.5 million in subventions to NGOs for the provision of social services. One of my objectives for 1996 would be to ensure that these funds are being properly utilized by these organizations.

In spite of commendable efforts of all the partners, the system of delivery is plagued with several deficiencies which inhibit its efficiency and effectiveness.

The proposed new system anticipated an arrangement where the various social partners would be placed into a network of interrelationships which will afford optimum benefits from the system, thus the role of the various actors will be as follows:

1. The Ministry of Social Development would see a shift in responsibility from actual delivery to overall policy formulation. It would also be required to monitor and oversee implementation of the project as well as to direct the gradual transfer of the current delivery system responsibilities from existing central government agencies to NGOs.
2. As a result, NGOs would be expected to assume greater responsibility for the provision of social services. Services will therefore be provided under a contractual arrangement with Government providing for a payment of an agreed percentage of costs.

Mr. Speaker, the new system anticipates that a statutory agency would be established to handle client assessment, identification of needs and referral to specialists services delivery agencies.

To date, the international consultant assigned to the project has completed her assignment and a diagnostic report on the existing system has been submitted by the local consultants. This report was reviewed by the steering committee and recommendations for further research were made. It is anticipated that this action plan would be developed by March this year.

Mr. Speaker, I now wish to make a brief statement of recommendations of a joint committee of officers from the Ministry of Health and the Ministry of Social Development to devise a programme to treat with social displacement, or vagrancy, as it is commonly called.

The joint committee comprising representatives of the Ministry of Social Development and the Ministry of Health is currently finalizing its draft proposals for treating with the problem of social displacement. The committee proposes the implementation of a comprehensive programme involving measures to address all facets of the problem.

The committee recognizes the following subgroups among the socially displaced and have suggested proposals to address them:

- substance abusers;
- the mentally challenged;
- the elderly;
- persons in need of care on a permanent basis;
- persons in need of housing;
- persons in need of social and skills rehabilitation.

Short-term specific proposals include:

- Assessment at the Riverside Plaza Walk-in Assessment Centre;
- Treatment for substance abusers at the Caura Hospital in collaboration with the Ministry of Health's Substance Abuse Treatment Programme proposed for retention at this facility;
- Treatment of the mentally ill at the St. Ann's Hospital and their referral to other specified rehabilitation centres for post stabilization, and
- Accommodation for the elderly at existing senior citizens' homes, through Government and other sponsorship.

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In the medium to long term

- The establishment of rehabilitation centres in north and south Trinidad to cater to the needs of homeless persons who need social rehabilitation and employment and specific training.

We are proposing to establish shelter workshop programmes; special arrangements with NGOs for persons with psychiatric disabilities and the involvement of business organizations in the employment of a specified number of socially displaced persons; and centres for persons in need of long-term care.

Mr. Speaker, from the budget presentation by the Minister of Finance, one can see that this Government of national unity views development in the social sector as critical to the overall growth of the country. Evidence of this commitment is seen by the fact that for the first time the ministry was allocated all funds it had requested for the implementation of development projects such as probation hostels, remand homes, and a halfway house for abandoned children. The ministry has also been allocated \$29 million for non-profit organizations of which \$0.4 million are for other social programmes.

Therefore, let me at this stage reiterate my ministry's resolve to take on this increased responsibility and I know that I have dedicated staff who would work with me to achieve our mission of providing an efficient social service delivery system.

Recognizing the importance of adequate staff, I will focus on ensuring that the ministry has the full complement of staff and human resource development to enable us to take up the challenges ahead. In keeping with my Government's policy, therefore, let me stress that my ministry will work towards addressing the crime situation providing services to victims of crime, alleviating poverty through, among other things, a review of the work of the National Insurance Board as part of the national social security safety net, and reviewing relevant social legislation which affects our ability to serve our target population effectively. Also, empowering the economically and socially disadvantaged by providing them with employment opportunities to increase their self-reliance and independence.

Before closing, let me say that we fully recognize that the ministry cannot do any of this alone, nor do we have all the answers. Therefore, we look forward to working closely with all the social partners, both in Government, the non-governmental sector and with the nation as a whole.

Thank you, Mr. Speaker.

Mr. Roger Boynes (*Toco/Manzanilla*): Mr. Speaker, as I rise to give my maiden speech in this august Chamber, let me first warmly congratulate you on your elevation to the Speaker's Chair. Congratulations, Sir.

I would like to echo the sentiments of our distinguished and powerful leader, the hon. Member for San Fernando East, in extending congratulations to the hon. Minister of Finance on the presentation of his first budget.

6.40 p.m.

Mr. Speaker, as a young person—31 years old—as a concerned citizen and a legislator of this country, I would like to focus this evening on an area that is very near and dear to me, that of sport and youth affairs.

No one can deny that this country is at present experiencing a grotesque explosion of violence, most of it perpetrated by and against persons in the age group 18—35 years. As an attorney-at-law, by practice, I see in court on a daily basis a number of youths who are incarcerated in the jails of our country. This is no time to engage in academic quibbling as to whether we ought to emphasize crime, detention and punishment or crime prevention in our communities. At the very least, we need to do both urgently.

The budget presented last Wednesday displayed a tragic lack of appreciation of the inextricable link between sport and a reduction in the crime rate, between sport and the tourism and hotel industry. It failed to appreciate sport as an important conduit for the development of national pride and a sense of well-being. In terms of the fiscal measures enunciated in the budget, while the Government increased the allocation to be spent on the Ministry of National Security, while the Government increased the allocation to be spent in the Ministry of Agriculture, Land and Marine Resources, it is to be observed that the money to be spent on the Ministry of Sport and Youth Affairs shows a marked reduction in its allocation.

The 1996 figure is approximately \$5.9 million in connection with the development programmes. That is a reduction from the \$11.305 million in 1995. This, to my mind, displays the lack of philosophical and conceptual approach to the major problems confronting this society. It is, after all, the then Opposition who made crime and unemployment the pillars of their campaign to government. A realistic and substantial investment in youth and sport, I assure you, would serve to reduce these twin evils of crime and unemployment. By realistic and substantial investment, we do not mean, as in the case of the Government, a net

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reduction in the allocation to the Ministry of Sport and Youth Affairs with respect to the development programmes, but a lack of proper philosophical approach to the problem that is at hand.

In assessing the contribution that sport makes to national development, it must be noted that this investment made in the youth of the nation and in sport, be it physical, recreational and leisure, is an investment in our country's future and in the healthier living, self-fulfillment and nation building. The thrust has to be a preventative one, and as the last Member mentioned, a proactive one. It is a hard time in Trinidad and Tobago and it is particularly so for those young persons between the ages of 18 and 30 and who comprise the majority of voters in this country. We believe that this Government has no right whatsoever to treat sports as the unwanted orphan since there are real, practical and immediate benefits to be gained from sport. [*Desk thumping*]

It is beyond question that participation in sport increases not only the physical well-being of the participant, but also his self-esteem. In the many villages, towns and cities throughout the length and breadth of this beautiful island of ours, many young persons would find themselves susceptible to the evils of drugs, idleness and crime in the absence of a viable and attractive alternative. That alternative is an investment in well-organized sport.

The hon. Minister of Finance has said in his budget presentation, and I agree with him, and I quote:

“To successfully launch our offensive on crime, Government will establish a Task Force assisted by the Fast Tracking Support Unit in the Office of the Prime Minister to prepare and implement a Crime Reduction Master Plan as a matter of urgency.”

I urge that a crime reduction plan is not simply the provision of more police cars from Neal and Massy, for instance, but that in keeping with the previous Government's plan, organized sport should be looked at as one of the urgent methods of crime reduction.

I am not just talking from scripts I read in a book or learnt in a classroom, but from the real practical example of an organized night windball tournament in my community in Sangre Grande. Though the figures are not available during the duration of the tournament, the police reported a significant drop in the crime rate. I have seen young men and women, who felt that no one cared about them, develop a spring in their step and when they got an opportunity to showcase their

talent for all and sundry to see, their self-esteem rose. One sensed and knew that they felt that they had much at stake in the viability of the society.

Perhaps, it is true dignity that so many young people in Trinidad and Tobago are seeking and they can get this through sport. I know that the hon. Leader of the Opposition has already illustrated the discrepancy between what this budget says it will do and the fact that the Government does not appear to have a clue as to how the revenues would be raised to fund their expectations. This anomaly takes on cruel proportions when one looks at the assertions of the Government in its *Medium-Term Policy Framework, 1996—1998* on sport. I quote:

“Government will develop a national policy on sport and youth development as well as establish a decentralized coordinating agency responsible for formulation and implementation of policies on youth, sport development, physical recreation and leisure.

Government is committed to the establishment and support of youth organisations and the introduction of programmes to address the prevention and containment of social problems among youths.”

Mr. Speaker, for this one needs substantial moneys to ensure that this becomes a reality. What may sound good may not be good and sound. So that we are saying that there is a need for substantial investment in the youth and not simply investment in such a way that one will reduce the moneys put towards development of sport.

6.50 p.m.

When I look at the *Draft Estimates of Development Programme* for 1996, on page 96, I must applaud the Government for increasing its allocation in this direction to \$2.5 million. However, I suggest that this is not enough. I am also asking the Member for Tobago West to explain why the out-of-school education programme and the youth leadership programme appear on this development programme for 1996, when they are already ongoing programmes which were started by our administration.

I urge the Member to ensure that the approach to the programme for youth on drugs which was allocated about \$400,000 is not isolated from the Ministry of Social Development. As the Member for Chaguanas mentioned, the National Alcoholic and Drug Abuse Prevention Programme (NADAPP) is performing the tertiary level of drug rehabilitation. We suggest that there be a more co-ordinated

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and networking approach between NADAPP and the Ministry of Sport and Youth Affairs.

I commend the Government for instituting the district youth projects and programmes. This is the first time this would be introduced in Trinidad and Tobago. A sum of \$1 million is allocated for the same. I commend the previous administration, and I reiterate that it was due to a pilot project which is presently going on in Felicite that this has been added to this development programme.

Our policy for sport and youth affairs as outlined in our manifesto entailed the utilization of an institutional building approach. This is the establishment of a national sport management commission and a secretariat for national sporting organizations; increasing and upgrading sporting facilities and recreation grounds. Sport is a billion-dollar industry throughout the world. Part of our philosophy and plan was to ensure that new sporting facilities were created and refurbished. There must be proper infrastructure for the sportsman and the sportswoman if we are to achieve the standard of international excellence that we are quite capable of doing. Recently, we saw where Latapy scored two goals, and within 10 minutes Dwarika scored two. We have the talent here. We need to groom it.

This Government, by its minuscule allocation for development programmes, seems not to appreciate the value of sports as an earner of foreign and local currency, and as a creator of employment. The night windball cricket competition, if I may refer to that again because I know about it, provides jobs for upwards of 30 persons in the town of Sangre Grande.

On the international level, hosting of international games provides the multisectoral boost to the economy such as airlines benefits, transport, agriculture and other services. A few years ago, the hosting of the international golf tournament benefited the country to the tune of \$4 million. This has barely scratched the surface. As I mentioned earlier, sport is a billion-dollar industry. This Government must appreciate that money has to be spent on the infrastructural development of sport facilities, refurbishing of existing ones and the establishment of multisporting complexes, strategically located throughout the country.

The PNM Government recognized this and the sod was turned in 1994 at Orange Grove Savannah, Tacarigua for the commencement of the construction of an all weather synthetic hockey facility of international standard. If I may digress for one moment here, we can take Trinidad and Tobago and make it the hockey

capital of the western hemisphere. Based on our location, we can have teams from Canada, Jamaica and Argentina. In terms of the location it is very central, so the expense of having a team from Argentina go to Canada to play hockey could be saved and we can take this type of facility and put it throughout the country and have here as the hockey capital.

The type of weather that we enjoy, and the Member for Tobago West would no doubt appreciate same, could add to that fact as well. In 1995, during tenure, recognizing this fact, construction began on three additional indoor sporting areas at Chaguanas, Point Fortin and San Fernando. It is our experience on this side that well organized sporting competitions can generate real income, but the Government must take the lead and not abdicate its responsibility by cutting development expenditure.

When I look at sport as a means of nation building, I urge hon. Members to cast their minds back to 1989, on the verge of this country's possible qualification to the World Cup Finals in Italy. Never has there been so much pride in being Trinidadians and Tobagonians. Sport cuts across all racial, ethnic and socioeconomic barriers that may have built up in this country, and yet the allocation towards the development programme was cut, and they consider themselves to be a government of national unity.

Recall how we felt when Hasley Crawford won the Olympic gold medal, or when the magnificent and incomparable Brian Lara scored his record breaking 375 runs and 501 runs respectively. We do not encourage more Laras, Crawfords, and strike squads by cutting development programmes.

7.00 p.m.

Our vision for sport is contained in our manifesto, as I mentioned earlier. I am sure that the Minister of Sport and Youth Affairs will acquaint herself with it even though it was rejected.

I recommend that there be an immediate consultation with the over 30 recognized sporting bodies and associations in Trinidad and Tobago to ensure that we establish common ground. A decentralized management sporting body must be established in various communities in Trinidad and Tobago to take into account the individual needs of the communities throughout the length and breadth of this land. The Government must take the lead in the establishment of novel approaches to the issue of joint venture co-operation between them and the private sector. It is instructive to note that for there to be proper management of

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these organizations, members of the private sector must be placed as members of this management team.

As the former PNM appointed chairman of the Sangre Grande Regional Corporation, I know all about joint ventures, and trying to utilize novel ways of obtaining funding with the private sector. I would have the hon. Member for Couva South know that, in 1995, we at the corporation undertook the construction of the Monte Cristo Park, utilizing the regional corporation and the business community. Today, construction is on its way. It is expected that this would be a place of relaxation and leisure akin to that of the Brian Lara Promenade when it is completed. Moreso, it is expected to be one of the best parks throughout the Caribbean. So, I invite my colleagues, when they are in Sangre Grande, to visit the Monte Cristo Park.

Mr. Speaker, as my Friend from Couva South enquired, may I just mention a few of the more novel joint ventures? Negotiations for a joint venture contract were entered between the Sangre Grande Regional Corporation and the business sector for the acquisition of the Toco landfill site. This is expected to bring in revenue of over \$600,000 to the Sangre Grande Regional Corporation and \$1,000 on a monthly basis.

Mr. Speaker, the contract remains on the desk of the hon. Member for Pointe-a-Pierre. I hope he can get to it as swiftly as possible because at present the Sangre Grande Regional Corporation is losing revenue.

Another approach that was utilized was where negotiations took place between PTSC, the business community of Sangre Grande and the Sangre Grande Regional Corporation for the building of an administrative complex. Those negotiations are continuing and I hope that this Government co-operates to ensure that it becomes a reality in the town of Sangre Grande.

We at the corporation have looked at the area of recreation grounds. We have appreciated the fact that money allocated to the regional corporation was not sufficient to bring the recreation grounds to the international standard we would like. What has been taking place are negotiations with members of the business community, the banks and several of the other corporations so that we can take a ground in partnership, develop the same, have a board and let members of the business community be members of the board so that there will be proper management and those facilities can become self-sufficient and thereafter maintain themselves. Those were some of the novel approaches that we used.

These are instances where Government must not abdicate its responsibility and leave such development to chance or to the uncertainties of the vision or the wisdom we do not fully understand. Rather, bold action and initiative is required.

In the same way this Government talks about an action plan for crime, there is an urgent and crying need for an action plan for sport and youth affairs. We are talking about persons who make up the largest number of voters in the country; we are talking about the largest population in the country and yet when we look at the percentage of moneys directed towards this ministry, taking into consideration the amount of money as a whole sent to the Ministry of National Security and other ministries, I am suggesting that the Government pay this ministry—and I am sure that the Member for Tobago West will agree—the respect that is due to it and fund it properly.

7.10 p.m.

In conclusion, Mr. Speaker, I make myself available to the Member for Tobago West so that if she wants to get advice from this side [*Laughter*] as to the plan to put in place in this country, I will do two things; first, I will give her a copy of the *PNM Manifesto* and secondly, I will let her know, and incorporate her in our action plan for sports and youths of this nation so that we could work together in national unity for the development of youths in this nation. That is national unity.

Thank you, Mr. Speaker.

The Minister of Labour and Co-operatives (Hon. Harry Partap): Mr. Speaker, I do not want this opportunity to escape me; standing for the first time on the floor of this august Chamber to address you. I wish to add my quota of congratulations on your election as Speaker. I also wish you and your family a happy New Year, belated though these sentiments may be.

I wish to congratulate the Minister of Finance on his budget presentation which pleased thousands of poor people who were denied a window of opportunity by those on the Opposition Benches who were once on this side. The consensus is that this is one of the best budgets presented to this country in a very long time. While those opposite consistently factored out people in their budgets, and indeed, almost everything that they did, our Minister of Finance placed people at the centre of everything and yet focused on growth and development. After all is said and done, Mr. Speaker, of what purpose is growth and development, if not for people?

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Having put these important housekeeping matters out of the way, let me now take you on a brief tour of the Ministry of Labour and Co-operatives which I inherited two months ago. It was a ministry plagued by shortcomings, which to a large extent, impeded its effectiveness and efficient functioning.

I was a bit surprised when the Member for Tunapuna got up and made his remarks. I wondered if he forgot that he was part of the last government. I want to make it quite clear at the start that this situation in the Ministry of Labour and Co-operatives was not created by the public service staff. I have a staff in the ministry second to none in the public service. *[Desk thumping]* From the Permanent Secretary to the maid work tirelessly under strenuous conditions. Nevertheless they continue to work in the interest of the people of Trinidad and Tobago.

It would seem to me that the last administration made a deliberate decision to downgrade what is supposed to be a crucial ministry in the advancement of a developing country. I cannot say that my predecessor had no vision for the ministry, obviously he had. He had developed a strategic plan for the ministry but there was no political will on the part of the last administration to put the ministry in a result-oriented mode. There was stumbling and foot-dragging by the political directorate with the public servants caught in the middle.

This state of affairs had its consequences. It contributed in a significant way in lowering morale among the staff. This manifested itself in early retirement among staff with an attendant depletion of experienced staff through lucrative offers in the private sector. But the most painful for my ministry due to this lack of political will, was the public perception, the image of the ministry in the eyes of the public. That image was very humiliating.

I am reaping the whirlwind attempt by Members of the Opposition to derail the Ministry of Labour and Co-operatives when they were on this side. It is no surprise for both labour and employers to perceive the ministry as a mere conduit in its facilitation role in the cause of industrial relations process. The ministry was seen as toothless, of nuisance value and lacking of political will.

Mr. Speaker, this Ministry of Labour and Co-operatives which I inherited, is, but a mere shadow of what you and Mr. Errol Mahabir, whom you succeeded in the late 1960s and early 1970s, left. In fact, my research shows that both you and Mr. Mahabir had put an image on this ministry which I want to emulate and hope to restore, given the challenge by the hon. Prime Minister.

What was my inheritance? Staff shortages in the inspectorate division of the ministry which have the potential to compromise the efficiency of the division's performance. For example, Mr. Speaker, there are 12 vacancies in the electrical inspectorate department. I am told that our electrical inspectors are sometimes embarrassed by the stone age equipment which they must use to test installations that were built using state-of-the-art equipment. This places all of us at risk and that is the inheritance of this Government.

The Factory Inspectorate Division which has the responsibility to investigate industrial accidents and to maintain occupational safety and health in the workplace is short by eight officers from an establishment of 13 technical officers. A staff shortage is also in the conciliation division, the same division to which the Member for Tunapuna referred, and that is acute. There is a high level of turnover of experienced officers who are attracted to better conditions in the private sector. That division has lost staff with accumulative experience of 144 years.

Despite the best efforts of these hard working officers there is a backlog of unresolved certificates that is seriously affecting workers and employers who need to have their matters taken up at the Industrial Court.

When we hear Members opposite making a lame attempt to defend the small man, I wonder why they had refused to put the structures in place at the Ministry of Labour and Co-operatives to ease the burden of workers who are numbered among the little people in the society.

It would appear to me that the Member for Tunapuna was out of his depths in his chosen subject. He obviously had not visited the ministry while sitting on this side.

7.20 p.m.

Mr. Speaker, the last administration denied the ministry the services of an in-house legal officer in order to fulfil its mandate. There is urgent need for legal service to ensure enforcement and updating of relevant legislation. There is a significant—*[Interruption]*

Mr. Beraux: Would the Member please give way? I have looked in the estimates, but I have seen no provision made for any staffing. Have you made any requests? Maybe I did not read too clearly.

Hon. H. Partap: We will deal with that issue with the passage of time. *[Laughter]* Mr. Speaker, there is a significant portion of the ministry's

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function that has a legal basis. In fact the Ministry of Labour and Co-operatives currently has 24 pieces of legislation that guide its operation. Several of these are in need of updating or amending to make them relevant and effective. This ministry had been in the embarrassing position, under the last administration, of having to drop litigation for non-compliance because it had no in-house legal services, and advice from the Solicitor General's Office came too late to prevent the matters from being statute-barred. I would cite the example from the ministry's labour inspectorate over the period 1992—1994, where about 400 cases per year were left pending due to a lack of timely legal responses. Mr. Speaker, we are talking about 1,200 cases pending after their term of office.

Mr. Speaker, I can only conclude that the last administration was negligent in this matter because workers were deprived of their rights to benefits under the Minimum Wages Act due to its failure to provide the ministry with an in-house attorney. The point I am making is that the last government emasculated the ministry and gave the erroneous impression that the staff was dragging its feet. I repeat, the staff at the ministry, once given the resources and the motivation will fulfil the mandate of the ministry.

The task is now mine to work together with the Permanent Secretary and his staff to improve the public image of the ministry, and at the same time reinforce its delivery capabilities within the context of the philosophical underpinning of the new Government of national unity. That philosophical perspective has as its core a determination to contribute to the creation of an environment conducive to growth to ease the burden of unemployment. Inherent in that philosophy is the political will to improve the working conditions of the employed in our labour force, and to foster better relations among the social partners. I have no doubt that securing a stable industrial climate is but one way of attracting much needed investment in order to be appropriately poised for entry into the 21st Century.

My ministry intends to approach this philosophical perspective in a multi-dimensional fashion incorporating into its activities a review and enactment of pertinent labour legislations, the implementation of projects and the conduct of developmental research. Activities aimed at facilitating this vision are already on the way in the various departments in accordance with their roles and functions. Mr. Speaker, an internal management audit is now nearing completion by a reputable firm in management consultancy. The recommendations arising out of this audit will help to create this new image of the ministry envisaged by this Government of national unity.

Mr. Speaker, there have been new trends emerging with respect to industrial relations as a result of the changing economic and social circumstances. Given these developments the ministry intends to adopt a more proactive approach to dispute prevention and resolution. We intend to put emphasis on dialogue, consultation and consensus. This new Government of national unity is firmly and deeply committed to this concept in all our activities. It is the position articulated by the hon. Prime Minister and one that has tremendous vision in its application. For the records, Sir, it was the Prime Minister's insistence on tripartism which led to the first major experiment in the rationalization of the sugar industry in 1978.

Mr. Speaker, the government of the day of which those on the opposite side were a part, did not comprehend the significance of the tripartite system, and as a result they never implemented the recommendations of that tripartite report in 1978. There is absolutely no doubt that approach will be a major pillar in my ministry, for I can tell you, Sir, that the tripartite approach will eventually stand out as the most important means of resolving disputes and setting the tone for industrial peace. We intend to use the tripartite approach to update and review several pieces of labour legislation, including the Industrial Relations Act, the Minimum Wages Act, the Workmen's Compensation Act and the Retrenchment and Severance Benefits Act.

As regards the Retrenchment and Severance Benefits Acts the last administration had appointed two tripartite committees outside the scope of the ILO Convention No. 144 to deal specifically with two aspects of the Retrenchment and Severance Benefits Acts. One was supposed to address the loopholes in the law pointed out in a Privy Council judgment about which the labour movement had been careful and raised several points. The other addressed the question of how employers who faced liquidation can give effect to severance payments to workers. After about two years neither of these issues has been settled.

I must point out that the delay by the last Government to push through the agreement reached between the social partners and the matter of plugging the loophole in the Retrenchment and Severance Benefits Act resulted in a rethinking on the issue by the business community. However, I can tell you now that there has been another change of heart and I can see a positive outlook for the outcome of this particular issue.

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7.30 p.m.

It is my intention to have these two matters dealt with expeditiously in the interest of industrial peace. I aim at having the minimum wage and terms and conditions of security guards which go under the general rubric of Security Agencies and Security Officers Bill as well as the Occupational Health and Safety Bill brought back to Parliament.

Mr. Speaker, I am sure, you are aware of the fate of the Security Agencies and Security Officers Bill under the last administration, which is being reviewed by this administration. These have been long outstanding. My ministry will soon be seeking comments at a tripartite level and the question of giving women the legal right to maternity leave. As you are aware, maternity leave is not a legal entitlement, but one that is left entirely up to the employers to grant during negotiations. So far, we have had little resistance from employers to the inclusion of maternity leave in negotiating contracts of employment.

The right of women to have maternity leave cannot be an *ad hoc* arrangement by the employers, it must now be protected by law. Our working women deserve no less and we are a government that respect women.

Miss Nicholson: And the people.

Hon. H. Partap: And the people. Thank you, Sister Pam. We will do all that we can to give them an equal place in this society. My ministry will take the tripartite concept a bit further. We are in the process of finalizing arrangements to use the concept of the non-crisis meetings at the level of top management and labour together with the Minister of Labour and Co-operatives, the Minister of Energy and Energy Industries and the Minister of Trade and Industry and Minister of Consumer Affairs to iron out differences in a non-confrontational environment. In consultation with my two colleagues, we shall set up these non-crisis meetings in the petroleum and steel sectors possibly extending it to other sectors in the economy. The aim is to defuse potential crises and create the climate for industrial peace and I can tell you that the response from both management and labour to this initiative is most encouraging.

May I point out that since assuming office, I was able, through the concept of dialogue and consultation to get a three-month moratorium from the National Trade Union Centre to deal with the backlog of unresolved certificates. I am happy to announce to this honourable House that officers in the conciliation

department are at this time working late into the night in an effort to deal with this backlog created during the term of office of the last administration.

Within the past week, some 60 unresolved certificates have already been completed. We intend to make a huge dent in the backlog by the time the moratorium runs out by the middle of April. I thank the staff at the conciliation division, led by the hard-working Mr. Robert Linton, for rising to the occasion in the interest of aggrieved workers and employers. Our staff is motivated by the vision of this Government of national unity to put people at the centre of our governance.

Mr. Speaker, this Government intends to ratify a number of International Labour Organizations (ILO) conventions that had been put into abeyance by the last administration. Let me detail a few of these conventions which are being actively pursued by the ministry.

With regard to the ratification of ILO conventions, may I express my Government's commitment on this matter. In 1995, Trinidad and Tobago ratified Convention No. 144—the Tripartite Consultation 1976, which requires member states to establish the machinery to give effective consultation on the work of the ILO. Through this mechanism, we will ensure that there is constant dialogue between our social partners in this connection. To date, we are in the process of establishing the required tripartite committee and it will be appointed by the end of this month.

The social partners have reaffirmed their support for the utilization of this mechanism embodied in that convention and they are prepared to stand by it. It is the collective view that the provisions contained in the said convention would, when fully implemented, provide the forum wherein there can be both a critical and objective analysis of all labour standards.

In this connection, the inputs of all the social partners would be harnessed and the consensus derived with respect to the ratification and/or otherwise of the respective international labour standards.

There are other conventions at which we are looking. These are:

- Convention No. 87—freedom of association and protection of the right to organize, 1948
- Convention No. 29—Forced Labour, 1930

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- Convention No. 98—Right to organize and collective bargaining, 1949
- Convention No. 105—Abolition of forced labour, 1957
- Convention No. 111—discrimination in employment and occupation, 1958
- Convention No. 100—equal remuneration, 1971

Those are some of the conventions at which we had been looking.

Let me deal briefly with the ministry's medium-term policy framework 1996—1998. We shall start work on the renovation of the Cipriani Labour College during the course of this year. The college has expanded its portfolio to provide training in co-operatives and soon a note will be coming to Cabinet to change the name of the college to reflect the new thrust of this important institution. There are other matters affecting the administration of the college which will be addressed by this Government. At least two are already being addressed which had been brought to the last government over the past three or four years but there has been no action. We have started action.

7.40 p.m

One, the title to the land on which the college now stands; and two, the regularization of certain posts on the college staff. This will allow them access to pension rights.

Mr. Speaker, the Member for Tunapuna raised the matter of the transfer of pensions to facilitate workers. Perhaps it has escaped him and it is a pity that he did not raise the matter when he was on this side. At the moment, there are four employees at the Cipriani Labour College who have no pension rights because they have not been transferred. At the moment there is the Maid/Cleaner who was due to go on retirement in August but she could not because she would not have gotten any pension. The matter is before Cabinet and Cabinet will be making the necessary changes so as to allow that poor woman to retire in peace and comfort.

Mr. Panday: This is a caring Government.

Hon. H. Partap: Mr. Speaker, this is a Government of action and the ministry is responding to this new image. In our commitment to create the right environment, the ministry is developing a national human resource management information system. We are cognizant of the fact that the establishment of a system such as this is critical to manpower and human resource development and planning. Such a data base, if properly managed, would act as a catalyst for

meeting manpower needs not only in the immediate future but up to the year 2000 and beyond.

Mr. Speaker, Trinidad and Tobago can maximize the use of its human resources only if a consistent and reliable national resource management information system forms one of its basic management tools. The ministry will be pursuing this objective during this year and over the three-year medium-term framework. It will be supported by market studies and surveys.

The ministry will also be restructuring the employment exchange and this does not have to involve money. What we notice is that the employment exchanges are not responsive to the needs of employers and we feel it is time that these exchanges come to terms with accessing manpower needs. The current success rate of registration versus placement is way below expectation and my ministry is addressing this. As part of the restructured employment exchanges this Government intends to establish two new ones; one in Point Fortin and the other in Arima. There are plans for two additional exchanges to come in 1997.

Hon. Member: PNM constituencies.

Hon. H. Partap: Mr. Speaker, the last administration had virtually stifled the co-operative sector. The department was moved from pillar to post and is now back again with the Ministry of Labour and Co-operatives. I have inherited a co-operative division that is demoralized, perhaps through a direct policy of the former administration. Several reports have been commissioned on the co-operative movement but the former administration took no real action to wake up what is still considered, as my friend from La Brea said, a sleeping giant.

The co-operative movement can, with the co-operation of the labour movement and the business community contribute to the new mode for production and employment generating activities, thereby reducing the level of unemployment and bolstering the country's economic thrust. The co-operative division will be responsible for guiding this process and providing the environment for it to take place. For the division to meet these challenges, it is imperative for it to be restructured and well equipped. We are in the process of formulating and developing a national co-operative policy and this will be made known in due course.

Mr. Speaker, the division will be working in partnership with the Ministries of Works and Transport; Agriculture, Land and Marine Resources; Sport and Youth Affairs; and non-governmental organizations to use the co-operative

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approach in developing two agricultural estates in the East. This will be a pilot project aimed at training some 500 young persons in agricultural pursuits.

The last administration had been using the Unemployment Relief Programme to develop agricultural estates but their efforts had failed miserably because of two reasons; one, the absence of the co-operative concept and, two, no markets were sourced to absorb whatever production took place on those estates.

Hon. Member: That is an NAR programme.

Hon. H. Partap: Mr. Speaker, the thrust is that we are going to reorganize it as a pilot project. The former government destroyed it because they did not know what to do. This pilot project is being carefully planned to avoid the pitfalls that consumed the last administration's effort on those estates.

My ministry is working with the Ministry of Agriculture, Land and Marine Resources, the Tobago House of Assembly and the two Tobago representatives on this side to reorganize the producers' co-operatives in Tobago and put them on the road to viability. We would give them that kind of advice.

Mr. Speaker, I find it difficult to understand the hon. Leader of the Opposition in his spirited attack on this Government's proposal to remove, in 1997, the tax credit of 25 per cent on net increase in purchases of credit union shares up to a limit of \$625. I simply ask the question: Did the PNM plan to remove that tax credit in this budget if they had won the election last November?

Hon. Members: No!

Hon. H. Partap: Mr. Speaker, it is only a question but they may go back and do the research. I am surprised that the hon. Leader of the Opposition was able to tell this august assembly what the problems were in the Credit Union Movement. Why did the last government not intervene to safeguard the savings of the small man when they were in office? Why?

Mr. Speaker, I want to draw the attention of this honourable House to some basic facts. There were 397 registered credit unions; of these, 187 were inactive and 46 were cancelled.

Mr. Panday: You shed crocodile tears this morning.

Hon. H. Partap: For the records, Sir, there are 164 active credit unions at present with 53 of these in serious financial trouble and they are currently being

investigated by a task force committee appointed by the Commissioner of Co-operatives.

7. 50 p.m.

You may not be surprised, Mr. Speaker, but the asset base of the Credit Union Movement is in the order of TT\$1.75 billion. There are shares in excess of TT\$1.02 billion from a membership of over 281,000 people; and there is a loan portfolio in excess of TT\$1.3 billion! That is the extent of the Credit Union Movement. The task force has sent in a preliminary report and they have already investigated 27 of those 53 credit unions, and they have recommended that 26 be liquidated, since their liabilities have exceeded their assets, meaning that there is a share erosion. We are talking about 33,000 small savers who stand to lose. Of the 26, six have been recommended for immediate liquidation. The 26 are being closely investigated by the task force and a report will come soon.

I want to point out, Mr. Speaker, that in all of the cases where the credit unions are being liquidated, the members, those same small people whom the hon. Leader of the Opposition says he is concerned about, suffer losses in share capital. The six credit unions that are recommended for liquidation have a membership of 3,000 members. *[Interruption]* Mr. Speaker, the hon. Leader of the Opposition is right. Part of the problem of the credit unions is the legislation governing the movement.

Mr. Panday: That is right.

Hon. H. Partap: But what has the previous government done about it? Absolutely nothing. Yes, Mr. Speaker, the present Act does not allow the Commissioner of Co-operatives to intervene in the affairs of the credit unions until it is too late.

Mr. Panday: Correct.

Hon. H. Partap: Mr. Speaker, I do not know why the last government refused to give teeth to the Commissioner, so that now he could intervene before the credit unions collapse. I do not know why the last government was fearful of commissioners. They had an obsession with emasculating the powers of commissioners.

Mr. Panday: Even the Commissioner of Police! *[Interruption]*

Hon. H. Partap: Yes, and the service commissions. Mr. Speaker, those who criticize the Minister of Finance for signalling his intention to remove the

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\$625.00 tax credit for credit union members have not lifted a finger to protect the interests of those thousands of credit union members whose savings have not been prudently managed by what the Minister of Finance himself described as gurus in the Credit Union Movement. [*Interruption*] Yes, and they are coming here to shed “crocodile tears”.

Mr. Panday: Alligator tears, not even crocodile.

Hon. H. Partap: Mr. Speaker, the Credit Union Movement must take steps to regulate itself. Continuing to allow the citizens of this country to finance bad management in the Credit Union Movement is not going to force the credit unions to put their house in order.

I am aware, Mr. Speaker, that credit unions have moved in the direction of putting their house in order through the Stabilization Committee. The Co-operative Division of my ministry commends the Credit Union Movement for taking that step and will continue to monitor the movement and offer advice and assistance to nurse it back to good health. This Government of national unity supports and applauds the efforts of the small man and we support the small man in savings; but this Government of national unity will not support the absence of internal regulatory mechanisms, or prudential standards in the Credit Union Movement.

Mr. Speaker, having said that, I want to thank you for giving me the opportunity to signal to the national community that the Ministry of Labour and Co-operatives is prepared to play its part in advancing the vision of this Government of national unity, as it seeks to give the people of Trinidad and Tobago a chance to use their own initiatives and their co-operative resources for personal development. This is what we stand for, and this is what we will do.

I thank you, Mr. Speaker. [*Desk thumping*]

Mr. Eric Williams (*Port of Spain South*): Mr. Speaker, I did not have the opportunity before to congratulate you on your elevation to the Speaker’s Chair and I take the opportunity to do so now. Certainly, I want to wish you and your family a happy New Year and all that you wish for yourself.

To the hon. Minister of Finance, I wish to congratulate you on what is your maiden budget. I think that it is commendable, given the reports in the press, that you have been able to produce such an extensive document—as you put it—in such a short space of time. Obviously you have had to work very hard, and I commend you for that, notwithstanding, of course, the comments—to which I

adhere and subscribe—which have come from my esteemed political leader. But work is work.

Hon. Member: Which one?

Mr. E. Williams: We have one leader on this side.

Mr. Sudama: You have one leader? How many deputies? [*Interruption*]

Mr. E. Williams: Mr. Speaker, at this time I would like to lend my voice to just a few points—I do not have that many points at this time—to the area of public utilities, among other things.

The previous People's National Movement Government had a strategic policy framework for dealing with the public utilities. Now, insofar as this Government is determined to follow through with those policies of the People's National Movement that it considers to be reasonable, I commend them. [*Interruption*]

Mr. Panday: Like the one of not giving people water? We will abandon that.

Mr. E. Williams: We thank you for having validated our manifesto anyway. The policy essentially hinged on three planks, and particularly, when we deal with the institution known as WASA, the three planks are quite germane. One was the acquisition of a strategic partner; the second was to involve the maximum local private participation—in essence, local joint venture relationships with that strategic partner and with the existing and, I would add, highly skilled and well-educated staff at WASA.

8.00 p.m.

The crux of the whole thing was the provision of a new regulatory framework which was in the process—in fact, as I understand it, it is still in the process because there is draft legislation to revise the Public Utilities Commission legislation, which I imagine will come to this House in one facsimile or another at some point down the road. Given that three-plank approach, I want to make an observation after a fair amount of conversation and discussion with people who are, to some degree, more expert than I am in the winning of water and the management of water facilities. It is not that I am without some understanding of it, but the main problem with the supply of water in Trinidad and Tobago, as I am given to understand from international experts, is not essentially the capacity to supply water—and I will develop on this later—it is primarily a function of replacing an aged infrastructure, that is to say, the pipe that is in the ground, between estimations of 2,900 km of pipe that is in the ground—

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Mr. Panday: Why did you allow it to deteriorate like that?

Mr. Speaker: If the honourable ladies and gentlemen will allow the hon. Member, please, to be heard in silence.

Mr. E. Williams: The second issue that has exacerbated the situation is unfavourable weather conditions that have come to characterize the previous dry and wet seasons we have experienced. I want to go on record as serving to endorse the hon. Minister of Public Utilities' request to the religious community to pray for rain, because I live in this nation as well and I am a praying soul. So I thank him for putting that out to the national community.

To understand the question of why the infrastructure is in the state that it is, one has to take a historical perspective of the water system in our nation. Piped water was introduced first into Trinidad in 1835. In fact it was the historic water weir up at Maraval, I am given to understand. Since that time, we have consistently, over the years and certainly you would admit that in 1835 and up until 1962, the PNM was not in power, but successive colonial governments built upon that system.

In 1962, approximately 22 per cent of the population was supplied with piped water. The remainder of the population got water the best way it could, by rain, by wells, from rivers, and so on. Trinidadians and Tobagonians are ingenious people. However, in 1965, the government of the day in its wisdom and for the good of the people—because it was, in fact, stated that it was a nationalistic movement of the people—determined that there needed to be a co-ordinated effort to the winning and management of water and incorporated the WASA Act, No. 16 of 1965. At that time, just as in 1962 before it, where there were a number of individual water companies and water works throughout the nation—and I am sure you yourself would probably have a much better understanding of this than I do since in 1965 I was not quite aware of what was going on at that time—the combined system produced 22 million gallons of water per day to that 22 per cent of the population.

What has happened over the years, continuing with that tradition, new pipe has been added to the system to the extent that today the capacity of WASA to produce water at its maximum is in the order of 170 million gallons of water per day and WASA, in effect, serves 92 per cent of the population of Trinidad and Tobago. I will hasten to add that not all of the population receives water 24 hours a day and there are reasons for that.

In addition to this, as part of the system of winning of water, there are surface sources of water, that is to say, dams and other surface water works. There are wells and there are river intakes. Therefore, we have a fairly complex situation where we win the water.

One has to put this into the context of any other industry so that one gets an idea of the magnitude of what is involved. To date, WASA is not producing water at its maximum capability. It is in fact producing water at the amount of 156 million gallons of water per day. Now the international experts tell us that for a country this size, that is, in fact, four times the minimum requirement to adequately serve a modern society of this size in this day. So the problem is not capacity.

But when one compares the state of the petroleum industry with which I am a little more familiar, to date we produce 133 thousand-plus barrels of oil per day from our various oilfields, both offshore and onshore. We put them into fiscalization points, that is to say, points where the oil is collected, and then it is sent on to three major locations, the Galeota transshipment, the Pointe-a-Pierre refinery and in better days to the Point Fortin refinery.

8.10 p.m.

Mr. Speaker, the 156 million gallons of water that are produced today equates to 4,460,000 barrels of water which are supplied to 92 per cent of the population; again, albeit, not everybody gets a 24-hour supply. One would appreciate that we are dealing with a very complex distribution system of a very precious life-giving and life-saving commodity to the population in an aged system which we have developed over a period of 160 years or so.

One would appreciate that new pipes that were put into the system over the years would have a particular life span, and the situation today with the supply of water is that the majority of pipes are corroded. For instance, if a pipe in the Maraval area, was originally six inches in circumference, because of corrosion and deposit of sediment, today, that pipe would effectively be one inch in diameter.

Therefore, we need to replace our physical plant. I have already alluded to the fact that we have very technically competent personnel at WASA, who are by and large nationals of this nation. However, WASA's current capability to replace its physical plant is in the order of 100 kilometres per annum. Therefore, at the rate

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of 100 kilometres per annum, it is in excess of 29 years in its current state for WASA to replace the physical plant in the ground.

Given this, it seems to me that the strategy of seeking a partner who could bring the finances and the business to accelerate that programme is a prudent measure to take. The problem with the deliverability at WASA then, I would submit is a technical one, and it must be addressed, not only in its engineering aspects, but certainly in its financial aspects so that it would impact positively and ameliorate the socio-economic conditions of the citizens of this country.

Therefore, in my humble estimation, as the current esteemed Minister of Public Utilities indicated, as reported in the press, that he is not interested in technical problems but only in the deliverability, is a view. In fact, I hesitate to say, that if that philosophy were to be transposed into another public utility such as the PTSC, where if the drivers were only concerned with arriving at their destination and not going there, then what it would imply is that the drivers may not be able to drive.

What I find curious then is that WASA is on the road, or was on the road—let me rephrase that. WASA has been on the road to economic viability. That is to say, last year, based on its policies, WASA averaged \$21 million in revenue per month from its customers. The majority of the delinquent customers was spread across the nation and was partly industrial. In fact, quite a significant percentage of them were large industrial customers who could pay.

It is very curious that a little birdie whispered in my ear that for the month of December, 1995, WASA's revenue fell from its average of \$21 million to \$15.7 million. There seems to be a one-to-one correlation. *[Interruption]*

Mr. Speaker, I would admit that WASA's billing system, like a number of other systems, is not perfect, but even with that imperfect system, it had been collecting \$21 million per month for the year.

I believe that there is a one-to-one correlation in the drop in revenue with the statement delivered in this honourable House on Friday, December 8, 1995 by the hon. Minister of Public Utilities.

I would like to know what happens from here. It is left to be seen for the duration of this year because this policy is now in effect. That equates to a revenue shortfall of about \$5 million per month. While putting people first, this particular policy is at odds with this Government's desire, and I would quote from its *Medium-Term Policy Framework* where it is stated at page 13 that:

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“The objectives of the Government for the utilities will focus primarily on facilitating greater efficiency,...”

“...utilizing state-of-the-art technology,...”

We agree.

“...responding to changes in the nature and quantity of demand,...”

We agree.

“...and the delivery of a reliable and high quality service at minimum possible cost without undue recourse to Government transfers.”

I find it interesting that in the *Draft Estimates of Revenue* for WASA for this year, there is an increased Government subvention or transfer of \$25 million.

Mr. Speaker: Hon. Members, the sitting of the House is suspended for dinner until 9.05 p.m.

8.20 p.m.: *Sitting suspended.*

9.05 p.m.: *Sitting resumed.*

Mr. E. Williams: Mr. Speaker, before the tea-break, I was beginning to wonder about the revenue shortfall at the Water and Sewerage Authority and certainly, the observation of the increased government transfers to WASA.

I wonder, and I really want to wonder aloud, from the response that came with this statement by the hon. Minister, whether or not the board of management at WASA had been consulted on this particular approach. For instance, if there were no other innovative types of approaches that would not have impacted negatively on WASA’s revenue.

For instance, if there was an agreement to implement the same provision and not advertise it to the public, especially as the Christmas and Easter times approach, so that WASA simply did not disconnect persons but, to all intents and purposes, kept its policies in place, such an approach may have caused a continuation of the high revenue intake and not have had the effect on WASA’s revenue. I just merely throw that out as a question.

Given all of this, I want to look again at the *Medium-Term Policy Framework* and to repeat for the edification and memory of hon. Members:

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“...greater efficiency, utilizing state-of-the-art technology, responding to changes in the nature and quantity of demand and the delivery of a reliable and high quality service at minimum possible cost without undue recourse to Government transfers.”

In that regard, I would like to refer to the statement made before this honourable House by the hon. Member for Caroni East and Minister of Public Utilities. I will quote from the statement he gave to this House with particular respect to the salient points of the Interim Operating Agreement (IOA), re Severn Trent, instrument agreement. I quote:

“- Circumscribed as we are with respect to the confidentiality clause in this Agreement, we wish to indicate to this honourable House and to the people of Trinidad and Tobago, the principal features of this Agreement which places obligations on all three signatory parties, that is to say, the Government of Trinidad and Tobago, WASA, the Trinidad and Tobago Water Services Limited, the last name being a special purpose company established and incorporated in Trinidad and Tobago and jointly owned by Severn Trent and Wimpey to service the Interim Operating Agreement.”

The Minister then enlightened the House on the key elements of the agreement. He said they were as follows:

- “- No increase in tariff during the period of the Interim Operating Agreement.
- No mandatory reduction in staffing during the period of the Interim Operating Agreement.
- Operational turnaround (that is a positive net operating cash flow) in year 3.
- Sixty-one point four per cent of the total management fee of US \$9.083.210 million is payable only on the achievement of specific performance targets...”

That is,

- performance links which have been agreed upon and form an integral part of the Interim Operating Agreement. The Government assumption of responsibility of all liabilities and obligations at WASA, existing or accrued, due and payable at the effective date of the Interim Operating Agreement.

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- Establishment of a Government appointed consultative committee (comprising one Government representative as Chairman, two WASA representatives and two TTWS representatives) to monitor and facilitate continuous consultation on the implementation of the Interim Operating Agreement.
- The contract is for a three-year Interim Operating Agreement and it is not for sale of the assets.
- The Interim Operating Agreement is for three years and allows for termination of the contract if the operator does not perform. Performance linkage again. IOA does not guarantee Severn Trent/Wimpey any long-term concession.
- There is no government guarantee required on the \$450 million loan by Severn Trent/Wimpey to WASA.

So, there is no liability to the Government.

- The fees payable to Severn Trent/Wimpey will be funded from the revenues of WASA.”

That is to say, it will be self-financing.

We agree with that. In fact, some of my constituents have come to me and said, "Mr. Representative, if those were the terms and I was in business I would take them and run with them". People have just come up to me on the streets after they were enlightened by the Minister, and they said this is a good contract for the nation. I did not solicit these comments. People came to me and said so.

In that regard, and on behalf of my constituents, I ask and I imagine before the night is out the Minister will respond by telling us why he set up an interministerial committee which will comprise the Minister of Public Utilities as Chairman, the Minister Extraordinaire, the Attorney General and Minister of Legal Affairs, the Minister of Finance and Tourism, the Minister of Planning and Development, the Minister of Energy and Energy Industries, the Minister of Foreign Affairs, the Minister of Public Administration and Public Information and the Minister of Labour and Co-operatives, a very high-powered Cabinet-appointed committee. There was a promise to report to Cabinet within two weeks.

I read in the newspaper that there was some delay in that report. I believe that my constituents and, certainly Members of this honourable House, would like to hear the report of that committee which, I am sure, is forthcoming on the Severn

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Trent contract. As I have pointed out to this House, the populace is saying to me, as their representative, that this is a great contract, why have we not adopted this as yet? What is all the hullabaloo about? Clearly, I would like to hear from the Minister his perspective on this measure.

In any event, suffice it to say, from this side, if the Severn Trent contract were to be accepted by this Government with whatever modifications, as long as they do not change the intent of the contract, on behalf of my constituents I say we would be happy to see it. We look forward to the adoption of the Severn Trent contract, with whatever modification or changes are made to suit the current dispensation.

9.15 p.m.

Page 2 of the budget speech states:

“Before you can decide on how much you are going to allocate for water, for the repair of roads, for housing, for health, for old age pensions and the social programmes, 32 per cent of all our revenues will go towards public service emoluments and 33 per cent will go towards merely servicing a huge public debt which we have inherited.”

I think successive governments could say the same.

In the *Sunday Express* dated January 14, 1996, there is an article by Alva Viarruel under the headline, “Kuei Tung to wield chopper”.

Dr. Rowley: What kind of chopper?

Mr. E. Williams: I cannot say. I am only stating what is in the press. It states:

“While such a strategy is still being mapped out, ‘we are not going to increase the public service by a single job. If there is a need for new jobs, it will have to come from within the public service,’ Kuei Tung said.”

I take it that WASA being a statutory body is part of the sub-public service establishment. I am subject to correction.

The article continues:

“Starting this year, he said, the Government intends to increase the money supply to push interest rates down. This, coupled with reduced taxes, should act as a stimulus for growth.”

The article dealt with how we manage the economy.

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“He was unsure, he added, whether voluntary separation packages work. ‘The problem with VSEP’ he said, ‘is that the best people leave first, so you deplete your skills bank and remain with people who are unwilling, unable or uninterested’.”

Most experts would agree it is true.

As a result of that I looked at the personnel expenditure of WASA in its details as outlined in the *Drafts Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for 1996*. Under Head 01 Personnel Expenditure the 1996 estimate of expenditure is \$213,783,000, as opposed to the 1995 revised estimate of \$85,807,226. There is a total increase of \$129,975,774. Then the notes go on to explain that this increase includes arrears of \$496 million from the years when WASA was in trouble. This is due to the Board of Inland Revenue. As you can see, they are now coming out of that trouble. That leaves an excess on the salaries and COLA of \$33,975,774.

When I looked at the personnel establishment of WASA, on page 383 of the said document, the bottom line is that while last year WASA’s establishment was 2,004, in 1996 the authorized establishment would be 2,001. In effect, to date, the monthly paid staff at WASA is numbered at 1,700. I have a little difficulty with understanding the purpose of this additional \$33.975 million in WASA’s salary and COLA estimate of expenditure for this year. Even if we had a union agreement, I suspect with WASA’s establishment it should not come up to this.

The Minister is on record as not being too happy with the VSEP type of approach, so my impression is that it is not on the cards. I think that the question goes a-begging. It is my fervent hope that my humble fears would be assuaged later on during the debate. I am looking forward to that. I think it is something that we should clear up. My constituents and I would be very happy to get a reasonable explanation.

However, the long and short of it all is that we all agree that WASA is in need of help. My constituents and those of other constituencies to which I travel from time to time, told me that for their tax money that seems to be a sensible way to go. I do not think that anyone here is entirely unreasonable. I would like to be on record with my humble request and that of my constituents for some reasonable explanation as to the long-term plan and the viability of WASA as stated in *the Medium Term Economic Plan*. I do not want to belabour the point on WASA. I think we have already dealt with the salient points.

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I move on to just a couple of other issues before I take my seat. [*Interruption*] In fact, I won my seat fair and square. What I thought was going to be the key plan of the three legged approach to the public utilities is the public utilities reformation. As I have already pointed out, we are aware that there is draft legislation that is ready for Parliament. I suppose it will come as the Government's business allows during the year.

I wish to remind this House and certainly those who might be unaware of the salient points of that legislation—to abolish the *quasi* judicial process of rate determination; to adopt an incentive regulation approach, in particular the price cap mechanism of price control; the sharing of the cost of regulation between Government and the regulated utilities as a short to medium-term objective. It is to effect the legislative review and amendments required to facilitate the new focus. It is to provide a centre staging of the promotion and monitoring of standards of service and efficiency in operations and performance. It is restructuring of the commission with a small core of in-house staff and empowerment to engage specialists on contract or consultancies.

9.25 p.m.

Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Mr. E. Williams: Thank you, Mr. Speaker. Thank you, hon. Members of this House.

Therefore, we look forward to the bill to amend the Public Utilities Act, whenever it comes to this Parliament. We agree with the commissioners of the very first Public Utilities Commission that the PUC needs more teeth. The previous administration agreed to the extent that it drafted legislation to do so. I think maybe we have to discuss the details of it, but certainly we look forward to that. I think it is in the national interest that we move forward with it.

Apart from that, there are just a few items outside the business of the public utilities that are of considerable concern to my constituents and me, and the population at large. I want to say that I was glad to hear the Minister of Social Development, the hon. Member for Chaguanas, point out his programme for the handling of vagrants. I want to place on record that I agree with him. We have to

address the problems of vagrants. He alluded to the fact that there was an attempt before. We look forward to and encourage the success of his attempt because it is a national problem. To the extent that he is now the agent to effect such a change, I would like to wish him well because we need to have that change. He should bear in mind of course that my constituents and I will be looking at his performance.

Please take this in the spirit with which it is said.

There is one other measure which was introduced in the current budget which distresses me, a number of my constituents, a number of religious people, and, I imagine, might also distress those members of staff of the Ministries of Social Development and National Security who deal with crime and the carnage that occurs on our roads. That has to do with the decision to sell alcohol on public holidays and on Sundays.

A significant percentage of motor vehicular accidents, fatal, serious and otherwise, occur because the judgment of the drivers are impaired due to substance abuse, and high among those substances is alcohol. In a significant percentage of serious crimes, the perpetrators are found to have ingested significant amounts of alcohol. Much of the domestic violence against women and children, of which the Minister of Social Development spoke—and he spoke about his initiatives to care for people disadvantaged in that manner—occurs where people are flat out drunk.

A couple of years ago, when the USSR was still a communist state, I met a gentleman on a flight. I believe he belonged to one of the trade unions in the oil business. We sat next to each other returning from the United States to Trinidad. He said to me that he was all for communism, the whole communist ethic and the general levelling of the playing field where everyone was equal. However, he said that there was one thing that he missed. He missed his Sundays because he knew if he could be at home with his family on no other day, it was on a Sunday.

I want to put it to you, Mr. Speaker, that on Sunday and public holidays, families are together, including those families that are prone to domestic violence. It distresses me that we are creating the possibility of more of this type of deviant behaviour, in addition to which there is the whole business of the sacred nature of religious holidays.

While I am a Christian, I recognize and accept the fact that this is a multi-religious society and, therefore, the view had been expressed by several that the

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consumption of alcohol on certain sacred days is taboo. In the past, if one did not buy it before, one was forced to do without it on that day. Bear in mind that a public holiday is another day when we tend to assemble as a community.

The Member for Couva North is on record as attending a function of a religious nature over the weekend at which he spoke about moral values. I would like us to compare the cost of implementation of the Minister of Social Development's plan for victims of domestic violence, the increased cost of crime prevention and interdiction, and the potential human cost to the profits that a few guru-type merchants would gain from the sale of alcohol on public holidays and on Sundays.

The Government of the day has made a very good point. If one does the crime, one should do the time. If it turns out that this particular measure serves to increase crime, then that is criminal. In addition, the human cost goes with the clichéd statement, which is fairly hackneyed now: "a mind is a terrible thing to waste". That speaks of the personal cost.

The *Bible* says that woman is the glory of man. In my humble estimation, we are putting our women and children at additional risk by this measure. I may be wrong, but please allow me my humble estimation.

9.35 p.m.

Mr. Speaker, I compliment the Minister of Finance for his work, the sentiments of this side notwithstanding. I thank hon. Members of this House for their patience during my discourse.

I thank you, Mr. Speaker.

Mr. Speaker: Hon. Members, in the absence of any Member wanting to speak, you know what I have to do. I call on any Member who wish to speak on this matter.

Mr. Jarrette Narine (*Arouca North*): Mr. Speaker, I thank you for giving me this opportunity to continue the debate. I was taken by surprise as I expected that someone on the other side would have continued the debate. It seems to me that there is not much more to offer from the other side, but I am certain that the Members on this side would like to express their views in the 1996 budget debate.

First of all, I, too, would like to congratulate the Minister of Finance on this his first presentation of a budget. I also compliment the Leader of the Opposition, the Member for San Fernando East, for pointing out this morning that the

revenues that will be derived from this budget would not meet the expenditure in 1996. I will base my argument for local government on that point.

Historically, we have seen that if there are any shortfalls, the Ministry of Local Government is targeted to get the first cut of any deficit in the budget. If it is, in 1996, we are going to see a deficit in this budget, I have no doubt that the Ministry of Local Government will suffer. It is very sad to note that after the budget presentation the immediate response from members of the community was that it is a good budget, only to find days later, having read the fine prints, some of them are now making other statements.

It is unfortunate that the Minister of Finance remains with this burden of paying the debts owed to public servants when the government to which I belonged took time to clear up most of the problems which were left in 1991 and returned all that was taken away from public servants in Trinidad and Tobago. My colleague, the Member for Tunapuna, has already addressed this problem so that I would not go into further detail.

Mr. Speaker, I waited with bated breath for the Member for Point-a-Pierre, the Minister of Local Government, to give his presentation because I was certain that he would have tried to base it on four years, but the former Minister, the Member for Diego Martin East, and myself as Parliamentary Secretary, were in that ministry and we merely had two years, 1994 and 1995.

Mr. Speaker, last month we debated a motion in this House for the extension of local government and for local government councillors to be placed on an advisory board. I merely want to ask the Minister of Local Government in his reply to indicate to councillors on the Government side and Opposition side—I have a number of colleagues in local government who are concerned about their position. I may be wrong but they feel that the present Government would not adhere to what took place in this Parliament a month ago.

I also understand that apart from the Member for Tabaquite—whom the Member for La Brea dealt with for interfering with the public service—the Minister and the Parliamentary Secretary in the Ministry of Local Government have been doing that even before the Minister of Education, especially in the Rio Claro Regional Corporation. I have had calls from public servants who were sent on vacation leave and so on. Both the monthly paid and daily paid are feeling unsatisfied with their employment at this time.

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When we debated the extension for the local government bodies last month, I indicated that there was a memorandum sent out by the Minister of Local Government which stated

“To: All Chief Executive Officers, Town Clerks Arima Borough Corporation and Point Fortin Corporation
From: Permanent Secretary, Ministry of Local Government.
Dated: 22 November, 1995.
Subject: Filling of Vacancies - Daily Rated Establishment

Further to my Circular Memorandum of even reference dated April 30, 1995 on the matter at subject, I am informing you that you are to meet with the Recognized Majority Union and sign the Permanent Cadre. In this regard you are to note the following:”

9.45 p.m.

1. Permanent vacancies are to be filled from the Regular List.
2. For this purpose where there are no regular workers to fill vacancies in the Permanent Cadre workers from the Casual List shall be used.
3. If there are no vacancies on the Permanent Cadre regular workers with ten (10) or more effective years as at December 31, 1993 are to be listed on a separate document for signing with the Union. These workers will be permanent workers.
4. Those Permanent Voluntary Separation from Employment Plan positions that you have sought to retain in keeping with the Letter of Comfort, should be retained.

“Your usual co-operation is expected.

(f) Permanent Secretary,
Ministry of Local Government.”

Mr. Speaker, that tells me something. Clearly, based on what the Minister is saying, he is not in charge of his ministry, and anything can happen. He is not

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aware of what is taking place in his ministry. What I saw after this marked "urgent" on the same subject matter was, and I quote:

"From: Permanent Secretary,
Ministry of Local Government
To: All Chief Executive Officers, Town Clerks
Arima and Point Fortin Borough Corporations
Dated: December 11, 1995
Subject: Filling of Vacancies—Daily Rated Establishment

My memorandum Ref: LG/DP: 13/119 Vol. IV dated November 22, 1995 on the above subject matter refers.

In this connection, I am directing that you suspend action on this matter immediately, until further notice.

(f) Permanent Secretary,
Ministry of Local Government."

Mr. Speaker, I am certain that the Industrial Relations Officer of the daily paid union that is in charge of local government, who was a former colleague of the Minister of Local Government, must have had discussions with him because the first circular memorandum which was sent out by the Minister of Local Government was handed to me in the tea-room in Parliament. He indicated to me that what the Minister of Local Government has done is what you all did not want to do, for obvious reasons, which I will indicate further down. So to say that he was unaware is telling me that he is telling his colleagues that he was unaware because the matter never went to Cabinet. So he took a decision on his own, sent out his circular and on December 11 rescinded that circular only to send another circular dated December 12, one day after saying the same subject matter, and I quote:

"Filling of vacancies - Daily Rated Establishment."

I refer to my memorandum on the above caption dated November 22, 1995, and request that you provide the following information as a matter of urgency—

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1. The number of vacancies that now exists in your permanent cadre and the additional costs involved in filling them.
2. The number of permanent vacancies to be filled from regular/casual list and any additional cost involved.
3. In respect of the separate listing of workers with ten (10) or more effective years of service at December 31, 1993; How many workers are involved; and is there any additional cost.
4. The number of Voluntary Separation from Employment Plan positions retained in keeping with the Letter of Comfort and the amount of additional cost involved in filling them.
5. The number of permanent, regular and casual workers employed in your Corporation at present.

This should reach the Ministry not later than 10:00 a.m. on Wednesday, December 13, 1995.

(f) Permanent Secretary
Ministry of Local Government"

After the circular was rescinded, this last circular was sent on December 12, and a reply was needed on December 13, 1995 at 10.00 a.m. My information is that none of the corporations had any time to do this exercise, and there are corporations that never adhered to this, and there are corporations that signed the permanent list.

I want the Minister to say what will happen to those that signed and what will happen to those that did not sign. If one is going to be fair across-the-board and the Princes Town Regional Corporation had signed the permanent cadre, then I want to know if the Princes Town Regional Corporation will benefit from that circular and the other corporations will not. I quote these matters because on June 14, 1995 another circular was sent out by the Minister at that time, through the Permanent Secretary, and it stated:

"DAILY RATED ESTABLISHMENT—RESTORATION OF WORK DAYS

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I refer to meetings held between the Ministry and the recognized majority union on June 01 and June 08 of 1995 on the subject matter. In this regard, I am directing you as follows:

With effect from June 19, 1995 the work days of all regular workers must be returned to what it was, prior to July 1993. All regular workers with ten or more effective years must be put on a ten-day per fortnight basis.

Your usual co-operation is expected."

So that we had made provisions to take care of these workers. My understanding is, because of the Minister's colleagues in the union, they hoodwinked him into sending out those additional circulars after the Minister at the time on June 14, 1995 had sent a circular reinstating the people who had ten years service and over and who had worked ten days per fortnight at July 1993.

I say this because when we assumed office in 1991, the Minister of Local Government spearheaded teams of mayors and chairmen and had monthly meetings, and was going ahead to reform local government in accordance with Act No. 21 of 1990.

9.55 p.m.

And it would not have taken one year or five years to have that completely turned around. The Minister of Local Government at that time—the Member for Diego Martin East—and myself took up the mantle in January, 1994. As the Parliamentary Secretary, I visited all the city corporations, municipal corporations and regional corporations throughout Trinidad and Tobago. Coming out of that we listed a series of initiatives to be pursued in 1994:

1. To revise the fee structure, presidential confirmation of markets and slaughter houses, abattoir by-laws. This is a matter that was being pursued but was held in abeyance because Act No. 21 of 1990 was recommended to have some provisions made and to amend parts of that Act.
2. Restructuring the Ministry of Local Government.
3. The role of councillors and members of municipal corporations in village community and council affairs.
4. The rationalization of the daily-paid cadre and the structure and administration of corporations including a review of services currently provided.

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I say this because I have a listing here going way back from 1984, and because of Act No. 21 of 1990, the views were that local government authorities should be given their own autonomy to handle their affairs as much as possible. So by attrition, and by other methods like VSEP, the Ministry went about cutting staff since 1984 when the number of daily-paid workers stood at 15,719. In 1985 it went up to 15,907; in 1986, which was an election year, it went down to 14,709. If one looks at 1987 to 1991, one would see that in 1987 there were 13,171; 1988—12,807; 1989—12,356; 1990—12,092; 1991—11,132; 1992—10,758; 1993—10,144 and 1994—8,592.

The reason for this was that when I visited all those councils, and, having had the experience in local government for eight years between 1983 and 1991, it was consensus that according to the Minister of Finance, 65 per cent of the allotted expenditure for the local government authorities went into wages and salaries. We met in 1992, something like 7 or 8 per cent, Mr. Speaker, money which is allocated every year in the budget for goods and services.

It was my experience while being a councillor at the St. George East County Council that for half of the year there was no funding for goods and services. There were 32 trucks at St. George East County Council, and at one point in time, because of only \$25,000 allocated to repair them, they went down to four in number. So over the years through the Association of County Councils and other agencies, it was agreed that the facts were that one had to bring down—and quite rightly said by the Member for Couva North after the budget presentation, that it was unacceptable to pay 65 per cent out of the total funding in wages and salaries and other measures.

We set about the task of bringing up goods and services to a suitable level and it started from 8 per cent and by last year, we were using something between the vicinity of 12 and 15 per cent. My checks in the draft estimates for the year 1996, show that the money from materials in local government is down from that 12–15 per cent to something like 10 per cent. If there is a shortfall in revenues, this year then local government will be affected and payment of wages to the workers cannot be stopped and you will have a problem by June this year where, not a single bag of cement could be bought. Workers are going to be receiving their salaries but there will be no goods and services for the people of Trinidad and Tobago in the communities.

It may not be too long from that, if it is factual that the Government cannot raise the revenues for the expenditure this year. We may end up like we did in

1987–1988 when daily-paid workers had to wait two months to get their fortnightly salaries. That is a reality in 1996. If it is not so, let the Minister of Local Government say so because we are in a position at this time where we are not certain what is the wage bill because you have not received a response to your last circular and you have simply put on additional funds in certain areas that will take care of expenditure for wages and salaries.

Mr. Sharma: Tell us what to do.

Mr. J. Narine: I will ignore that gentleman from Fyzabad, he has no experience in any ministry. He never had any—I have just started to speak and I am going for 75 minutes.

I continue:

5. Functions currently undertaken by the Ministry of Local Government head office.

I am talking about initiatives to be pursued and which were pursued in 1994, which can be delegated to municipal corporations.

It simply meant that there were some things that were being done by head office and if you are going to give the autonomy to the local government authority then you have to transfer that function to the corporations. So that they too, will be viable as the House of Assembly which has more authority in keeping with local government than the regional corporations in Trinidad.

Miss Nicholson: Tobago is half, Trinidad is the other half.

Mr. Hart: How Tobago could be half, when it has only two seats?

Miss Nicholson: Separated by water.

Mr. J. Narine: Mr. Speaker, I am ashamed to hear those types of statements, when one talks about unity and talking about half and half. I simply cannot understand that type of logic when one speaks about unity.

We in local government found out that to take over private settlement areas, because of certain laws in Trinidad and Tobago, persons who acquire new homes in these areas suffer for many years to get sanitation done there. Because of the health situation, the only thing that is done there, is the collection of garbage. The repairs of roadways and bridges and the cleaning of drains simply do not happen. It is a fact that all over Trinidad where there are beautiful housing areas set up, the local government authorities have had many problems with those areas.

10.05 p.m.

I had a problem when I represented D'Abadie/Bon Air/La Horquetta in that 90 per cent of that electoral area belonged to the Ministry of Housing and Settlements and was never transferred to local government until, I think, 1988 when we moved a motion at the county council in Tunapuna and it was handed over. But what happened? Not one cent was given to local government to take over these areas. The Member for Tobago West was there at that time.

Another problem that exists in these areas is in relation to the sewer treatment plants. The Member for Tobago West would remember that there were many problems, and we are still having problems with these sewer treatment plants in private developments. One, WASA does not want to take them over with the Ministry of Housing and Settlements workers. That Ministry was saying at that time, "I am not going to hand it over unless you take our workers." The Public Utilities were saying: "Our workers are trained to do that job and your workers cannot do it." Confusion! I was involved in the trade union movement at that time so that I remember quite well. Up to today, there are sewer problems in all these areas. If you do a survey, Mr. Minister, you would understand the health problems that your ministry can cause in Trinidad if you do not move swiftly to do so.

7. The Boundaries Committee report on revision for local government boundaries.

We found that Act No. 21 of 1990 did not address the matter fully, although the concept was okay, to put areas into a geographical situation where they will be easily managed. One of the problems we found was that the Couva/Talparo/Tabaquite Regional Corporation was quite large with a small number of persons and that if one had to cut a recreational ground in Talparo one had to leave Couva at the head office to go to Talparo to do that. Talparo belonged to St. George East but because of the Act and the new boundaries that were placed, Talparo and parts of Brazil ended up in the Couva/Talparo/Tabaquite Regional Corporation. We thought that this exercise should be redone and—that is history; it came here from the Elections and Boundaries Commission—and when local government elections are held there will be new boundaries.

Further amendments to the Municipal Corporations Act 1992. The establishment of mechanisms for community participation and involvement in the management of the assets of municipal corporations. We felt that if one is going

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to give autonomy to local government authorities, community organization plays a very important role.

You have heard tonight the Member for Toco/Manzanilla in his contribution telling us in this House how effective it could be for the communities to work in partnership with the regional bodies. So that there is Monte Cristo Park and other areas in Sangre Grande in which the regional corporation had inputs from the NGOs, the business sector, the community councils and so forth in the area that would make the Sangre Grande Regional Corporation one to be envied by the rest. Some of them went ahead and did it but some did not have the concept of what autonomy was, and I will come to that later on in my contribution.

It also was to take care of recreation grounds, cemeteries, and places such as these. My experience in local government is that cemeteries are cleaned two or three times for the year. We are sure that on November 01, when we light for All Saints and All Souls that it will be done.

What we felt at that time in local government was that if there is a cemetery or recreation ground in Blanchisseuse under the control of the Tunapuna/Piarco Regional Corporation, then the village council or some other organization should be given a petty contract to clean that area. It did not make sense and it was not viable to send a brush cutter from Tunapuna up to Blanchisseuse to overnight, cut a ground the following day and then come down on the third day. So, the village council was given the authority and that village council has bought some small equipment and I think up to now it is taking care of that area.

Likewise, in the rest of the Tunapuna/Piarco Regional Corporation, even the Tacarigua Savannah where Mr. Hart has his league—the largest minor football league in Trinidad—is now being maintained by Trintoplan.

So that working with the NGOs and the business sector, it simply means that organizations such as Carib—Carib Brewery has taken over some of the grounds in St. Joseph. The Member for St. Joseph will be in agreement with me in that we had a difficult time when we were in council to keep our grounds under control.

10.15 p.m.

At one point in time, at the start of the cricket season, we used to give out contracts and now the business community is taking part in this exercise. There are 27 grounds in St. George East and at the time we had a brushcutter which would not work more than three or four days. Subsequent to that we got a new brushcutter—*[Interruption]*

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Mr. Speaker: I wish to point out that the speaking time of the hon. Member for Arouca North has expired.

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

Question put and agreed to.

Mr. J. Narine: Thank you very much, Mr. Speaker, and thanks to hon. Members on both sides for giving me the privilege to go on for 30 minutes.

There is also the continuation of gang audits at municipal corporations. From way back there was a difficulty, in that if you had a corporation like Tunapuna/Piarco which extends from Blanchisseuse on the northern side and goes to Valencia River Bridge on the eastern side, and on the southern side at this present time at Monroe Road, in Cunupia and on the western side, St. Joseph, it simply meant that there was difficulty in treating with these gangs that worked in the far-out areas of the Tunapuna/Piarco Regional Corporation. So that something had to be put in place to monitor these gangs, because it was not that difficult to have circulatory officers and if they were not monitored, they would not be there on a daily basis.

There was also a situation where contracts were given out and they were so far away that the councillors, the aldermen and the chairman of the council had to visit regularly to see if those programmes of work were carried out. It is easy for these things to happen, so we initiated these controls to audit the gangs on a regular basis and review the structure of the gang size and composition. Because of attrition and persons who took VSEP, we now found ourselves in situations where a gang size was three or four persons. Within that three or four there was a supervisor and a checker so then there was only, probably, a mason and a carpenter and no labourers, so that there was a certain effort in the local government authority to bring these gangs together and regularize the gang size. This was done and it is continuing on an ongoing basis. My reports are that up to last month this has been taking place.

13. A strategic plan for municipal corporation.

That speaks for itself.

14. Encouraging the management of Corporations to submit quarterly and yearly reports on the general administration and management of their corporations to the county council and Ministry.

We found, and again I will mention the Member for St. Joseph, that while we were in council there was a 10-year period in which there was no audit of the books and it simply meant that you had to wait on the Ministry to do it. The Member for Diego Martin Central, very early, as the Minister of Local Government came to the Parliament and gave the authority for the Corporation to employ private auditors that could come in and do that and submit it to the Ministries. I am certain that the Minister of Local Government at this present time would have seen the improvements made in the audits that are coming in from the various corporations. As a matter of fact, I think the Princes Town Regional Corporation is up-to-date now and some other corporations like Tunapuna/Piarco. It may have faulted in some other areas, but the intention is that you are not to wait on your people to do it. You can call in a private auditor and do the audit and send it to the Ministry.

15. The strengthening of financial management capabilities at Municipal Corporations by hiring qualified accountants; financial controllers, on contract.

This was in the Act and we had interviewed persons. One of the difficulties we found was that the salaries of the public service were not attractive to the level of financial managers we were looking for, so we had to make adjustments. In certain cases we got persons to come in and start working, but I am certain that when we demitted office, all the corporations did not have financial comptrollers. The mere fact that there were only three, as indicated by the Minister, up to this point in time, indicates that the salaries were not attractive. We were thinking about going back to Cabinet to carry up the salaries a bit and probably come down with the qualifications that we were required to have these financial comptrollers in place.

16. The computerization of Management Information Systems. I am certain that the Minister of Local Government inherited in all the corporations computerization of their records. They have already started. They are in place and they have been put there to give autonomy to the regional corporations. We are too way back to look for records involved. We have those computers in all the regional corporations, the city corporation, the borough corporation and those were there long before this Minister came into office. So by now we have trained staff, we have put in the computers, and we should have proper records by now.

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These initiatives were taken in 1994 and after that tour the Ministry of Local Government, in collaboration with the Office of the Prime Minister under Public Administration started a workshop called the Experimental Workshop—the municipal corporations to the year 2001; and the dates for these municipal corporations seminars were May 17—19, 1994 for three days. The venue was Naparima Bowl, San Fernando. This Experimental Workshop is designed for City Clerks, Town Clerks, Chief Executive Officers, Heads of Sections, Mayors, Chairmen and two other members of Council. So that these went on and the objectives were to encourage participation in the process of determining the vision and role for the municipal corporation in the decentralized local government function. The expected outcome was that at the end of this workshop participants would have—

- developed a vision for the municipal corporation as far as the year 2001;
- formulated a clear statement of the core purpose of the municipal corporation in the year 2001;
- conceptualized notions of the functions which the municipal corporations carry out, what they would deliver in the year 2001;
- determined functional differentiation of the municipal corporations in the year 2001, and developed a statement of the municipal corporations' needs—physical/financial/human resources for effective role achievement in the year 2001.

10.25 p.m.

The learning method is that this workshop will employ small group discussions and plenary sessions to facilitate the learning process. Mr. Speaker, this session went on and the report was laid in the Ministry.

At that workshop we were expecting the following:

- 1) decentralized authority embracing participatory management;
- 2) greater emphasis on revenue earnings as opposed to simply incurring expenditure;

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- 3) greater emphasis on accountability for management of resources in instances on efficiency, effectiveness and economy, which simply meant value for money;
- 4) high level of productivity and the timely delivery of quality service;

Too many times in the local government authority some business may be urgent and it takes months to finalize. It is only when you get back the report which comes in at the end of the month that you realize, and if you are not careful as a county council representative, somebody in management may say that it was done and when you really check, it never happened. So that we were thinking in that way.

It goes on:

- 5) Being mission driven and proactive, rather than reactive and propelled by rules and regulations with emphasis on customer satisfaction;
- 6) Forging partnerships with communities and business in delivering service;
- 7) encouraging all sectors of the community into action to solve their own problems.

So that at this workshop, which was well done, we then went into a seminar which was held at the City Hall in Port of Spain on December 6 and 7, 1994. One cannot emphasize the success that this seminar brought. It was a total participation of councillors from all over Trinidad and Tobago. I think that the Member for Ortoire/Mayaro—I do not know if he attended, but a number of persons did. I can remember quite rightly that the chairman of the Debe/Penal Corporation was on that team and he was part of this document which went on to give a number of areas where local government can go with that autonomous status that we want to give to local government, starting with the Government of 1987–1991.

So that thrust was continued. I remember that the Member for St. Joseph made a presentation on that occasion, and if I remember rightly, it was on funding, which is a critical area for local government.

So at this seminar we were talking about human resource capabilities—and this is a document which is in the ministry. So instead of reinventing the wheel or trying to take back and hug up the authority of local government, my advice is to allow the regional corporations to take care of their business and you would be

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better off than having circulars going out to your ministry and you do not know anything about them.

Today we are in possession of a document that was done in those days at the City Hall in Port of Spain which indicates to us that the objective of the seminar was to determine the future direction of local government in Trinidad and the broad subject headings were as follows:

- (i) The role, functions, responsibilities, the extent of autonomy to local government bodies;
- (ii) The organizational structure required for local government bodies;
- (iii) The type and number of local government bodies;
- (iv) The method(s) of discharging functions and responsibilities (manually, mechanically or contractually) to ensure higher levels of productivity.
- (v) Funding, which is critical to local government.

If you are going to put all your funding into employing persons in 1996, you are going to put yourself 10 years backward. So that all the work which was done by Tobago West and East and others, will go to zero by the end of 1996, because you will have no money for goods and services and you will only be paying wages and salaries.

Even the CALGA conference, the Caribbean Local Government Workshop, strengthening of local government which was held at the Trinidad Hilton from November 28 to December 2, 1994 did the same thing for local government which we did at City Hall before that. So that our people in Trinidad and Tobago—our local authorities—were well in tune with what is taking place with local government and what direction we should take. So I am saying that if you have to reinvent the wheel, you have the documents in your ministry and you should look at them critically, but put the right methods in place so that your job will become easier and other persons outside there will be performing. But if you are not going to put back the local government councillors on the advisory board, you should say so now, because probably you may have intentions of scrapping local government.

Today I would like to also point out that in the *Recurrent Estimates* which increased by \$43.2 million, you look for goods and services and it is not there. I am looking at the productivity level, for plant and equipment and all that. But the situation on the Development Programme is what amazed me. Under the

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Development Programme, Draft Estimates, I note that most of the regional corporations have had an increase on paper, with the exception of the San Juan/Laventille Regional Corporation and the Tunapuna/Piarco Regional Corporation. Those areas had a decrease.

Everyone is saying how they love Laventille so much and also Tunapuna/Piarco, and they are moving headquarters into the East/West Corridor, unless they are trying to kill the people of Laventille and those in the East/West Corridor, including my area. I could find it easily and tell you where the decreases were. In the San Juan/Laventille Regional Corporation, revised in 1995 for development, \$1,896,720, a shortfall of \$96,720 in 1996—\$1.8 million is given to the San Juan/Laventille Regional Corporation. In the Tunapuna/Piarco area, last year it was \$1,866,926; this year it is \$1.8 million.

So that if you are targeting these constituencies in the East/West Corridor, then you are not only making it difficult for us, but also for some of your Members of Parliament, especially San Juan/Barataria and St. Joseph, in that development funds are very critical for the development of these areas. It is serious business when the councillors come to council and they have to divide these funds.

I remember while I was a county councillor we had problems when the Government of the council, out of \$5 million or \$6 million at the time, would take \$5 million and leave \$1 million for five of our councillors because we were PNM. I was in Opposition since that time. I am comfortable in opposition. You cannot buy or sell this politician.

Today I am saying that San Juan/Laventille and Tunapuna/Piarco are targeted in the development fund for lower funds this year than they ever had. I am saying that it is preposterous that councillors in the councils are not going to go back to monitor these situations. I understand that the Minister has taken away the authority of the chairman of the Tunapuna/Piarco Regional Corporation to sit in the council with the CEO and manage the affairs of the council, in that the minister has to sign everything and he has to be reported to all the time.

If one has the authority to do something one must be given the authority to do it. The Minister is ruling the Ministry with an iron fist and he feels that is good enough. We are going to show him the results in the local government elections in the East/West Corridor.

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Mr. Speaker, today, if one looks at the other areas, there was also development for funding that should come from other ministries to build a police station in Arouca. I am talking about Arouca North, and I am speaking about an area that was voted money last year to build a police station. The reason that it was not started last year is that the site, where the police station is at present, is a historical one and was refurbished by the URP because the Historical Society felt that the building should be maintained. For the information of the House, that was the first area in which the Count lived. I remember the Baron, Sir Learie Constantine grew up on that very spot.

My last indication from the Minister who was in charge of national security told me that they were looking at land east of the pavilion and the Five Rivers Junction to build that station; lands that were from the Home Construction area. This year, I have not seen it in the estimates. I am saying that the people of Arouca and environs are waiting with bated breath to have their services upgraded. A police station in Arouca with proper services is critical.

Over the last 10—15 years we have developed that area. In Bon Air Gardens alone, there are 1,274 units; La Florissante North and South in D'Abadie; there is Lynton Gardens; there are 900 building lots available in Bon Air West; there are other private areas like Cazabon and Castleton and those areas. If that is taken out, I would like the Minister responsible to reconsider the upgrading of facilities in Arouca. Last year the Ministry of Works and Transport placed a certain amount of money to upgrade the Lopinot Road. Mr. Speaker, that Lopinot Road comes out at the 11-mile mark on the Blanchisseuse Road which saves motorists approximately 10 miles if they are coming from Blanchisseuse to go to Tunapuna. One could come through the Lopinot Valley and come out in Arouca, and not have to divert all the way to Arima. So it is a critical area for development of the road network for those who are going from Blanchisseuse to Tunapuna. I am seeing in the documents that the upgrading of road is lumped together, or, probably I have missed it, but before the completion of this debate, I would like to find out if we are going to get the opening of that roadway from the 11-mile mark and Blanchisseuse Road. *[Interruption]* It was placed on the programme last year for this year.

Mr. Assam: Then why did you not do it last year?

Mr. J. Narine: Because we were fair to everybody and we distributed funds all over Trinidad. For the Member's information, even the police post at Valencia which was opened recently—and the Commissioner of Police and the Minister

were boasting about moving it up to be a full station—that started out as a post. The Unemployment Relief Programme, under my guidance did it at a cost second to none in Trinidad.

We opened the Mandir on the sea at Carapichaima, a historical site and the same thing happened. It is just that some people are ashamed to say that the past Government did much work and there are over 50 projects which are ready to be opened including the Preysal pavilion which did not open because we had a water problem. When we took office in 1991, we did not have one single thing to open. In 1992, we had to build our own schools to open them. I am saying that! I have a conviction in saying that. The Member for Naparima would tell you that he had nothing in his constituency. When he demitted office from that side and came over here, he had about 145 projects to open. We did not open them, the Government could open them now: Lucky Street, the Bamboo Community Centre, the bridge across the Ciperio River and others which were done by the PNM. I am certain that if you remain five years on that side, you may not have anything to open.

Mr. Speaker, the performance of the PNM as articulated by the Leader of the Opposition today, was quite fair to the people of Trinidad and Tobago. He told them of our performance. Right now, they are looking, hoping and wondering, and I am hoping in one year, they would not have to come back here and wonder, hope or put something in place. They would get away with that this year, but I am saying that by the end of this year, crapaud smoke their pipes if they cannot raise the revenues to finance the budget.

Thank you very much, Mr. Speaker.

Mr. Barendra Sinanan (*San Fernando West*): Mr. Speaker, may I take this opportunity, late in the night, to congratulate the hon. Minister of Finance on his first budget presentation.

Mr. Speaker, while it appears to be a sweet budget initially, it may very well turn out to be sour later on in the year when the hon. Minister of Finance realizes that the budget would not balance and it is quite possible that he may come back to this House to seek additional revenues.

During the coming year, I venture to say that the work of the hon. Minister of Planning would be quite simple and easy because we have before us two policy documents, *The Medium-Term Policy Framework 1996–1998* and the *Public*

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Sector Investment Programme 1996 both of which were largely prepared by the previous administration.

10.45 p.m.

Mr. Speaker, in the *Public Service Investment Programme*, page 16, paragraph 58 states:

“The major areas include...education, health, housing and settlements, the road network, the water supply system and social and community services.”

The development cost for these programmes largely funded by loans and grants from multilateral institutions. I venture to say that about 50 per cent of the development cost is so funded. However, these loans and grants are predicated on conditionalities, and one of the conditionalities is retrenchment. I would like the Minister, when he replies, to indicate to this House whether it is the policy of the Government in sourcing loans from multilateral institutions to effect retrenchment as a conditionality of the loan. In the document entitled *Medium-Term Policy Framework, 1996¾ 1998* at page 14 under the heading “Postal Services” it has me a bit confused. It states *inter alia*;

“Consequently, the reform process will be based on two broad principals:

- (i) the introduction of private sector participation in the management of operations and mobilization of private capital into the sector as a means of enforcing greater efficiency; and
- (ii) establishing the Post Office as a self-sufficient commercial entity while focusing on efficiency and quality of service.”

This suggests that the post office would be privatized. I would like the Minister in his reply to state whether it is the intention of the Government to privatize the post office. There is a conflict with respect to the post office because on page 39 of the said document under “Policy Areas and Objectives” it speaks of introducing legislation to make the post office a statutory corporation. I would like the hon. Minister to clarify whether the post office would be privatized or whether it would be made a statutory corporation.

As I said before, I probably have the easiest of presentations to make simply because the development plans of the Government are really the continuation of the development plans of the past administration.

I note in the documents, mention is made of regularizing squatters. In my own constituency, provision is made for regularizing the squatters at Embacadere, and

I am thankful for that. I would like to indicate to the Government, that in my constituency there is also a large squatter settlement on what is called the “line”. I would like the Minister, in due course, to address the squatter settlement on the “line”.

I come to something that is very near and dear to San Fernando, and that is, Harris Promenade. In the capital city of Port of Spain there is the Brian Lara Promenade and that is really the pride and joy not only of Trinidad and Tobago, but moreso, Port of Spain. That was a project of the past administration. It is very good to see citizens of Port of Spain and, indeed, of the country utilizing the Brian Lara Promenade, and its nice ambiance—Christmas carols at Christmas time. It is with regret I note that in the *Draft Estimates* no provision was made for the implementation of a similar promenade in San Fernando. It was a mere matter of about \$6—\$8 million, a drop in the ocean and there is no provisions in the estimates for a similar facility in San Fernando.

I appeal to the Minister to reconsider that in a budget of \$10 billion plus \$8 million is really not even a drop. It is less than a drop. I appeal to the Minister and to the Government to think again about San Fernandians, and, indeed, citizens of the deep south and the opportunity to avail themselves of a promenade that would at least equal the status of the Brian Lara Promenade.

Mr. Speaker, I note the figures—provision for raising loans to implement housing. In my own constituency we have not had public housing for a long time and I am now appealing to the Government to do something about it. San Fernando West is a seat, perhaps, they thought that was, but it really was not. The Minister of Planning and Development has an easy year ahead of him. He may even have an easier year than he thinks simply because implementation of the *Public Sector Investment Programme*, although now in the Ministry of Planning and Development, may soon return to the Ministry of Finance.

Fifty per cent of the loans and grants for the development projects in the Ministry of Planning and Development must be and has to be raised from external sources. I would like the Minister in the course of his reply to indicate whether there will be any retrenchment.

I have nothing further to add to this debate. My presentation has been made easy simply because the Government, in its wisdom—and it is really a Government of unity, because it has seen the wisdom of following the development programmes of the People’s National Movement.

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I thank you.

Dr. Vincent Lasse: (*Point Fortin*): Mr. Speaker, I first wish to congratulate the Minister of Finance for the budget statement for the fiscal year, 1996. There are certain aspects of the budget which are of concern to Members on this side and these matters were eloquently addressed by the hon. Leader of the Opposition. While I am on my feet, I must say that I am not too disappointed that the Ministers on the other side have decided not to speak in this budget presentation.

Looking at what was presented in the budget and with particular reference to the areas of the budget that I shall address, I want to state that certain aspects of the budget had been lifted lock, stock and barrel out of the People's National Movement manifesto, and I would prove this as I go along.

10.55 p.m.

I shall confine myself to matters relevant to housing and settlements and the constituency of Point Fortin which I have the honour to represent. I am proud to stand here and speak about Point Fortin. I do not know if Members on that side can speak for the constituencies that they represent. That is their problem.

Let me read from the budget speech. Page 14 states:

“Government will expand and strengthen the housing sector. We will fast track the National Housing Authority \$30 million construction programme; regularize the tenure of squatters and upgrade the basic infrastructure of squatter settlements; and begin the Ministry of Housing and Settlements \$214 million accelerated housing construction programme.”

I think this has made my task very easy to give the genesis of the only two programmes that would be implemented along with squatter regularization. I now speak of the \$30 million housing construction programme. It is a pity that the Member for St. Augustine is unable to sit as long as he should to listen to this. I took the opportunity at the finance committee to ask him what was the policy of the Ministry of Housing and Settlements. To this point in time, I have not yet received that position. I thought that in commenting on the debate this evening, the Minister would have given the policy and then I would have been able to comment. Since, as I have said, the policy seemed to have been lifted lock, stock and barrel out of the PNM's manifesto, I would now elaborate or give the genesis of the \$30 million construction programme.

Early last year, the PNM Cabinet approved a \$30 million housing construction programme to be implemented by the National Housing Authority. I emphasize this because I want the Members on the other side to recognize that this programme started with the People's National Movement Government. This programme was expected at that time to yield 271 two and three bedroom units in the following areas. I would spell out the areas because it was said by the Member for St. Augustine that the People's National Movement had been putting houses in marginal areas.

These are the areas with the 271 two and three bedroom units.

No. of Units	Area
52	Point Fortin (fully occupied)
61	Bon Air (fully occupied)
30	Buen Venue
60	River Estate
17	Charlieville
31	La Horquette (Glencoe)
20	Nadine Street (San Fernando)

This is the programme that the coalition Government of the UNC and NAR will continue. I thank them for continuing the policy of the People's National Movement.

I would now speak on the accelerated housing programme and give its genesis. In September 1994, under this programme the PNM Cabinet approved the implementation of an accelerated programme of housing construction during the period 1994—1996 by the National Housing Authority. This programme was based on a three-pronged approach: high density construction under the Public Sector Investment Programme which I shall deal with in a while; high density apartment construction through turnkey arrangements with the private sector and mortgage housing through joint venture, again, with the private sector.

Here again, it is instructive for me to point out that the joint venture approach began with lots which had already been developed by the National Housing Authority and which have been lying there for many years. With the PNM Government coming into office, we decided to work out a programme whereby

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the excess lots would be negotiated with the private sector where they can build on these lots, recover for the construction cost and the Government would receive its share for the land involved.

Under the accelerated housing programme, it also included the total of 48 apartments at Ramdial Mahabir Lands. That project was brought to a halt by the NAR administration and when the PNM came into office, it was recommenced.

There are two phases. Phase I was completed when the PNM came back into office and Phase II has just started. These are the facts.

11.05 p.m.

Also, under the accelerated housing construction programme, 25 units were developed at Cook Street and Alexis Street construction was to yield 30 housing units. I am giving to the Members on the other side the genesis of the accelerated housing programme, and for those who were speaking about back-in-times, especially the Member for Caroni East, I can tell him back-in-times music is sweet music to listen to.

After giving the genesis of the accelerated housing programme, I will refer to some of the points I raised with the Minister of Housing when the Appropriation Bill was being discussed. The Minister, who seemed to have been so confused mentioned—and I have it here in the *Hansard*—that there should not be a Ministry of Housing *per se*.

Now I can excuse and be sympathetic to a person who is ill whether physically or mentally. I can sympathize with an individual who is confused, but I cannot sympathize with an individual who has tried to mislead this honourable House. I say this because when I asked the Minister why he was transferring \$13 million which had been assigned for housing construction, from the Ministry of Housing and Settlements to the Ministry of Agriculture, Land and Marine Resources, he mentioned, among other things, that he was so concerned about the Ministry that he actually saw the representative of the IDB on his sickbed. I questioned this. I did not question the veracity of the statement, but I questioned that a Minister taking up office within the space of a month or two would invite the representative of an international organization to his sickbed to discuss with him, matters concerning millions of dollars. Of course, I am yet to know whether the Permanent Secretary or a technocrat from the Ministry was there.

Mr. Speaker, having not received a reply from the Minister—and I was hoping to receive it today—I would now turn to the *Public Sector Investment Programme 1996*. Much weather has been made in the budget statement that the programme of the People’s National Movement would be followed. Here I wish to state that in the *Public Sector Investment Programme 1995*, the PNM Government had allocated \$123.25 million. I read from page 27 paragraph 103 of the *Public Sector Investment Programme 1996*, the following:

“An overall allocation of \$62.5 million has been made in the 1996 Investment Programme to finance implementation of housing and settlements programmes. Projected expenditure on further implementation of the IDB-financed Settlement and Squatter Regularization Programme amounts to \$38.6 million, of which approximately \$10.0 million has been allocated to the development of sites and services.”

Here I must say that the PNM Government did inherit the Sites and Services Programme from the NAR administration, but we really put it to work.

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

Dr. V. Lasse I am not giving way. Sit down!

“This activity will include locations at La Paille, Caroni, Bon Air West, Arouca, Buen Intento, Princes Town, Union Hall, San Fernando, Harmony Hall, Marabella, Debe, Phase II, Couva North, Phases II and III, Malabar, Phase IV, and Caroni Blitz Village.”

When we look at the difference, \$60.5 million less is being allocated under the Public Sector Investment Programme. Here again, based on what was given in the budget statement, the coalition Government intends to continue to fast-track the programme and yet it is cutting back on the allocation.

Mr. Sudama: Mr. Speaker, on a point of order. *[Interruption]*

Mr. Speaker: Gentlemen, the Minister has risen on a point of order. Please indicate what is the point of order.

Mr. Sudama: The Member is misleading the House.

Mr. Speaker: Which Standing Order are you claiming is being contravened?

Mr. Sudama: There is a Standing Order here which says that Members must not mislead the House in making representations. I am arguing that the Member

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for Point Fortin is deliberately misleading the House in terms of the figures he is quoting. I would like to indicate that in the 1995 Estimates, \$123 million—

11.15 p.m.

Mr. Speaker: Hon. Minister, in the absence of your being able to indicate the relevant Standing Order which you are claiming the Member is contravening, I rule that it is not, indeed, a contravention of the Standing Orders.

Please proceed.

Dr. V. Lasse: Thank you, Mr. Speaker. Let me refresh the memory of Members on the other side. I am not calling this figure off the top of my head, I am referring to the *Public Sector Investment Programme 1996*. I quote from page 27, paragraph 103:

“An overall allocation of \$62.5 million has been made in the 1996 Investment Programme to finance implementation of housing and settlements programmes.”

The PNM Government allocated \$123.5 million under the *Public Sector Investment Programme 1995*. I think I would rest this point and move on.

When I began my contribution, I mentioned that sections of the budget had been lifted lock, stock and barrel out of the *People's National Movement Manifesto* and placed into the budget of the coalition Government. I refer to the *People's National Movement Manifesto, 1995*, page 17:

“Housing

In keeping with the PNM Manifesto of 1991, a comprehensive approach to housing has been initiated, as well as a concentrated effort to deal with the problem of squatting.

Estimated expenditure in the 1992—95 period was TT \$355M, broken down as follows:

Sites and Services	\$141.7M
Squatter Regularization	66.9M
Housing Construction	132.5M
Community Facilities	14.0M”

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Mr. Speaker, I am taking time to read this because I want to move on to another point.

When one looks at the *Medium Term Policy Framework 1996—1998* of the coalition Government, one would read on page 25—and Members who have their document can refer to it—the following:

“Housing

Over the medium term, Government will implement a comprehensive approach to housing.”

I go back to the *People’s National Movement Manifesto* which states:

“In keeping with the PNM Manifesto of 1991, a comprehensive approach to housing has been initiated, as well as a concentrated effort to deal with the problem of squatting.”

I will continue to read what has been put in the *Medium-Term Policy Framework*.

“Housing

Over the medium term, Government will implement a comprehensive approach to housing.”

Mr. Speaker, identical! I continue to read:

“This will entail the continued provision of fully serviced lots; construction of core houses and rental apartments, community facilities on housing estates; subsidised mortgage and construction financing; technical advice on owner-construction dwelling units; rationalisation of those agencies associated with the housing sector; and the regularization of squatter communities...”

Mr. Speaker, that is identical to what is stated in the *People’s National Movement Manifesto*. That is the reason I was not taken by surprise when the Minister of Housing and Settlements, the Member for St. Augustine, and others, decided not to participate in this debate. We, on this side, intend to utilize our 75 minutes in representing our respective constituencies.

I will now turn to the housing policy which has been enunciated by the People’s National Movement. The PNM Government has always recognized the importance of housing in the social and economic development of Trinidad and Tobago. As a consequence, emphasis had been placed on the construction of dwelling units and the development of housing estates. During 1962—1986,

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50,000 units were built by successive PNM Governments. I would not comment on whether any houses had been built by other governments in between. The PNM's housing programme was unfortunately interrupted during the 1986—1991 period.

Under the NAR administration there was a shift in the focus away from the provision of houses to the provision of developed lots. This did not satisfy the needs of persons who had not had the opportunity to acquire homes. In that process the present Minister of Housing had lost his job somewhere along the line. I believe he was more interested in the Sou Sou Lands concept, which again, did not bear fruit. I have here today a letter from an individual who had been asking for a refund of the \$1,000 under that Sou Sou Lands concept. What we saw, based on that misguided policy of the NAR administration, was a backlog of some 100,000 housing units.

11.25 p.m.

Mr. Speaker, I would bring you further up-to-date when I refer to the Planning and Development Collaborative International Report (PADCO) which the Minister of Housing only took time to read the first three lines of page 2 and he did not go further. I am going to read it at length. It says:

"We observe that 100,000 housing units were necessary, we also observed that because units were not provided the squatting population in Trinidad and Tobago increased from some 8,000 squatters in 1986 to some 50,000 squatting families by 1991."

Mr. Sudama: Mr. Speaker on a point of order. I want to quote Standing Order No. 35 to indicate that the Member for Point Fortin is misleading the House, in that there is no evidence that the squatting population increased from 8,000 in 1986 to 50,000 in 1991. This is a totally erroneous representation to this House.

Mr. Speaker: No, can you state if you are asking him to give way?

Mr. Sudama: Yes, I am asking him to give way. Mr. Speaker, having been given way—let me quote Standing Order No. 35(a), by rising on a point of order.

Mr. Speaker: If the hon. Member remains on his feet obviously he is not prepared to give way. It is not a point of order. The Member said he was raising a point of interruption and he was asking him to give way. Giving way and a point of order are two different things entirely.

Mr. Sudama: Mr. Speaker, I rose on a point of order.

Mr. Speaker: Could the Minister indicate the point of order by stating the Standing Order that he is claiming that the Member is contravening. I am just asking you whether you could indicate which is the Standing Order that the Member is contravening.

Mr. Sudama: Mr. Speaker, I wish to point your attention to Standing Order No. 35 which reads as follows:

"(a) by rising to a point of order, whereupon the Member speaking shall resume his seat and the Member interrupting shall simply direct attention to the point which he desires to bring to notice and submit it to the Speaker..."

Mr. Speaker, the point I am bringing to your notice is that the Member is misleading the House by quoting figures which cannot be substantiated and, therefore, he has said that there were 8,000 squatter families in—*[Interruption]*

Mr. Speaker: Hon. Minister, if you would allow me, I rule that is not indeed a point of order. *[Desk thumping]*

Dr. V. Lasse: Mr. Speaker, in the course of my presentation I would use the latest statistics concerning the squatter situation in Trinidad and Tobago and I am quoting from the same document that the Minister of Housing was quoting. So in keeping with the People's National Movement: a comprehensive approach to housing; a broad range of policy instruments including the provision of fully serviced lots; the construction of apartments; the construction of starter houses ensuring the availability of funding for private home construction and ownership; engaging in joint ventures with the private sector dealing with the regularization and containment of squatters, and the provision of security of tenure for squatters. This had been the guiding policies of the People's National Movement from which we introduced the \$30 million housing construction programme through NHA, on the one hand, and the accelerated housing construction programme, on the other.

Mr. Speaker, the People's National Movement Government went further than that. In the space of three years and six months we had put in place a programme for the construction of 5,000 housing units for the next 10 years. I believe that this coalition Government has taken on board—lock, stock and barrel—the policies of the People's National Movement on housing. I wish them every

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success in ensuring that 5,000 housing units are constructed each year until we resume office.

I now turn to the *Padco Report, Planning and Development Collaboration International Incorporated and Laughlin and Associates Limited, Report, Vol. I*. This was a study commissioned by the Ministry of Housing and Settlements under the IDB assisted programme on housing. I shall quote the Minister of Housing and Settlements, who, I am sorry, is not in the House at this point in time. I quote from *Hansard* on December 20, 1995. In addressing this honourable House the Member for St. Augustine said:

"I have argued that there is really no need for a housing ministry *per se*, for the simple reason that there is the National Housing Authority which is a statutory authority."

Here was the Minister of Housing and Settlements saying to the honourable House that there is no need for a Ministry of Housing *per se*, so I was not surprised at all when it was the Minister of Finance who put in his budget statement the policy that the coalition Government would follow, that is, the \$30 million housing construction programme, on the one hand, and an accelerated housing programme on the other.

11.35 p.m.

I will now turn to the *PADCO Report* which ought to have been in the hands of the Minister of Housing. I believe this should be his bible, he should read this. He read page 1 only but that is all. He did not go deep enough.

The *PADCO Report* Part 1 speaks about "Characteristics of Housing Demand and Supply", and it went on to state that projected, effective housing demand for 1995 to the year 2005—

"PADCO/Laughlin & Associates estimates that 115,000 new housing units will be required in Trinidad and Tobago during the ten year period between 1995 and 2005."

Mr. Speaker: I wish to indicate that 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. L. Maharaj*]

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Question put and agreed to.

Dr. V. Lasse: I thank Members on both sides of the House. The Report went on to state that:

“Our analysis of effective housing demand shows a potential demand for about 36,500 minimum complete housing units and another 29,000 minimum core units which are unsubsidized. An additional 50,000 units, however, would require some degree of subsidy...”

It went on to state:

“Assuming that full PEU costs are used for all housing with no reduction in standards or costs, the total housing investment required during 1995—2005 period is estimated at about 18.6 billion TT\$...”

Mr. Speaker, I want to go further into the report because I believe the Minister did not come to this page. It is page 4 of the report, and it states:

“B. GOTT Priority Programmes 1995—1997 ”

And here they are speaking of the People’s National Movement Government because we are talking about 1995. Listen to the production targets Member for Tobago West.

Miss Nicholson: Why me?

Dr. V. Lasse: Because I know you are interested in it.

Mr. Hart: The no-house Minister.

Dr. V. Lasse: It states:

“The Ministry of Housing and Settlements settlements and housing programmes are directed to increase the supply of low income housing. Current public sector programmes—sites and services, direct housing construction and high density apartments are expected to produce about 6,000 shelter units within the next 24 months. In addition, the Ministry is developing the Accelerated Housing Programme (AHP)...”

which will be continued by the government—

“...to increase the supply of low income housing and generate about 30,000 temporary jobs in the construction sector.”

I will now give a breakdown of this—

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“In total, the public sector under various programmes (excluding *in situ* regularization) is attempting to supply 9,791 shelter units by the end of 1997.”

This had been the research done by PADCO. I continue:

“Table 2: GOTT Programmes 1995—1997

TYPE	NO. UNITS
NHA Housing Construction Programme	271
PEU/Min. H & S Sites & Services	4,437
Joint Venture—Design/Finance/Construct Project	100
High Density Apartments—Direct Construction	813
Private Sector—Selected Proposal	300
Shelter Units on Existing Serviced Sites— Joint Venture (AHP)	1,270
Joint Venture to Acquire/Service and Construct Units by Joint Venture	2,600
TOTAL UNITS (1995—1997)	9,791”

11.45 p.m.

The report went on to state that these initiatives represent a significant increase in public sector activity and delineate the direction of housing thrust for the next five years, particularly as the direction of residential construction is expected to generate employment to reduce short-term measures of current unemployment.

Mr. Speaker, I am happy to note that the present Government will be continuing this programme. But there appears to be an inherent contradiction. On the one hand, the Government speaks about the construction of housing units, providing finance for the construction of units but I have here two reports which tend to contradict the good work which ought to be done in this regard. I refer here to the *Newsday* of Saturday, January 13, 1996. The bold headline states: “Body blow to home owners”. On the one hand, we saw where the Government was moving in a certain direction to provide homes—constructing homes. On the other hand, we read with a certain amount of dismay: “Body blow to home owners” and I quote:

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“Government’s act of reducing deductions of mortgage interest payments for tax purposes, from \$24,000 to \$20,000 per annum from this year will prove a disincentive to new home owning.

It is yet another body blow to those who had already constructed homes and have not yet completed mortgage payments, and to those who plan on building or buying their own homes to escape paying high rent, increasing their equity, or both. The article went on to state:

“Tax credit had a plus side to it beyond the collecting of tax rebate—

Concerned home owners were encouraged by it to have regular maintenance work done on their homes, providing in the process employment to many as well as continuous sales of hardware products, particularly paint, ceiling tiles, cement and concrete blocks.

Humphrey’s concerns”

And here I wonder if the Minister is aware of what is going on in the Ministry of Housing and Settlements. I quote:

“In addition, the whole concept of a reduction of mortgage interest benefits and the cancellation of tax rebates or credits on maintenance work runs counter to the often stated concern of the UNC/NAR Cabinet Minister, Mr. John Humphrey, that all should own their own homes.”

Hon. Member: Where is he?

Mr. Maharaj: Listening but you are not seeing him.

Dr. V. Lasse: It went on:

“Mr. Humphrey did not simply mean low income earners, whose mortgage payments can run to \$18,000 a year, but to middle income citizens as well, including public servants, nurses and police officers. So that the real Government policy on housing appears contradictory to Mr. Humphrey’s policy, as well as its image as a trade union government.”

I read this with a certain amount of concern but I will go further.

Another situation is an article in the *Newsday* of January 14, 1996. *[Interruption]*.

I am getting just like you, all you do is read papers but I am reading from articles also. I quote:

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“Punishing the credit unions

Both the credit union movement in Trinidad and Tobago and the critical constituency it represents have been awkwardly served by Government’s removal of tax credits of up to a maximum of \$625, from credit union savings effected during the calendar year.”

It went on to state:

“If, as Prime Minister Basdeo Panday has argued, the eliminating of the tax credit was a message for the credit union movement to put its house in order, there were other measures which could have been adopted.”

I would rest here and go back again, Mr. Speaker, to the *PADCO Report*. This report addresses straightforward the role that credit unions ought to play in housing construction, especially as it relates to the low-income earners in Trinidad and Tobago—

“General Context

The Credit Union Movement has emerged with a special part to play in the delivery of housing-related finance. Possibly the whole of the bottom 30 percentiles of the income ladder remains to be effectively serviced. Notwithstanding the paucity of the reporting from the sector, indications are that the share of CU’s loan portfolio (33 %) going to house-related funding was more than double that of the commercial banks.”

So that loans through credit unions more than double that from commercial banks going towards the bottom 30 percentiles of persons who are trying to build their homes.

“These loans are of small average size (\$4,500 TT\$); of short duration (under 10 years); and of modest cost (maximum 8 per cent on reducing balance). They are awarded on the basis of eligibility criteria less restrictive than those employed by the mortgage institutions. Funding covers house repair, extension and renovation as much as new construction. Such a pattern is pointedly relevant to the two objectives which have come to underpin

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public policy: accessibility and affordability—both with reference to the lower-middle and lower income segment of the market.”

So when one tinkers with the credit union, one is tinkering with the construction of homes by these individuals. If this Government is interested in giving an opportunity for low income individuals to own their homes, I think the Minister should revisit the question of the credit unions. I say this with all sincerity because apart from the credit unions the other institution which is involved in loans to the lower income segment (\$2,500, \$3,000 and so forth) would be the Trinidad and Tobago Mortgage Finance Company (TTMF) and it is now burdened with applications.

11.55 p.m.

Members on the other side should be aware that under the Sites and Services Programme, the agreement with the Inter-American Development Bank which ought to be ended pretty soon, we are now approaching the construction phase where persons had paid down small amounts and the PNM Government made it easier by introducing what we considered the criteria of affordability where a person would not have to pay the entire sum to acquire the deed.

These persons are approaching the TTMF to acquire loans for the construction of homes. So we are talking about two institutions, the TTMF on the one hand and the credit union on the other, which will be assisting low-income persons to acquire their homes.

Mr. Speaker, I think I should speak very briefly on the question of squatter regularization. Before squatter regularization, the PNM Government had put in place a draft amendment to Act 20 of 1986. I recall when the Minister of Housing and Settlements mentioned that he would be looking into the question of the regularization of squatters, therefore, we look forward to this piece of legislation coming, in due course.

There is one area, however, about which while in Government we have had some concern, but I believe that the situation may now change because one of the main players who had been, in a way, blocking the effective implementation of the squatter regularization in one area, is now on the side of the Government. I refer here to the question of the squatters at Demerara Road where there was a situation of lead poisoning and the PNM Government worked on an ultimate site not far away from those who were affected by lead poisoning. But one of the

persons who had been occupying the lead infested area had been advised. I have a letter which I should read into the record. [*Interruption*]

Mr. Maharaj: Yes, read it man!

Dr. Vincent Lasse: The letter was directed to the Director, National Housing Authority. It states:

“Dear Sir,

I have been a resident of Demerara Road Settlement for a considerable period of time, and I am entitled to the protection of Act 20 of 1986. This protection entitles me, as of right, to occupy the lands in question.”

Mr. Sudama: Who is the writer of the letter?

Dr. V. Lasse: “I am advised by Mr. Ramesh Lawrence Maharaj that the Government created in my favour a legitimate expectation to be given a tenancy of land by the state, having regard to the provisions of the said Act.

I am further advised that...”

Dr. Rowley: By whom?

Dr. V. Lasse: By Mr. Maharaj.

“I am further advised that it is a criminal offence for anyone to forcibly disturb my possession. It is an offence under the statute of forcible entry for any person, including public officials, to attempt to forcibly remove me from the land for which offence he is liable to be imprisoned for life.”

Dr. Rowley: For life?

Dr. V. Lasse: For life!

“I am entitled under Act 20 of 1986 to get land from the state at 25 cents per sq. ft. plus \$100 rental per year. Based upon the promise made by Government in its 1991 manifesto, the Government is responsible for the payment of infrastructure for the land, including the supply of water and electricity.

I was recently offered land by the Government so that I may be relocated, but I am entitled to know if I am going to be charged for infrastructure costs and to know the exact amount of money I am to pay for relocation.”

The letter is signed by one Mr. Wayne Joseph and copied—

Mr. Speaker: I just wish to remind the hon. Member that he has but four minutes left in extended time.

Dr. V. Lasse: Mr. Speaker, I will wind up. I hope now that the ball is in the court of Mr. Maharaj.

Mr. Maharaj: Thanks for refreshing my memory.

Dr. V. Lasse: We hope that—

Hon. Member: What is the date of the letter?

Dr. V. Lasse: March 20, 1994.

Mr. Speaker, I think I spent some time elaborating what the previous PNM Government had envisaged as its policy, and I noted that this had been taken lock, stock and barrel, as the policy of the Government of the coalition, and I hope that they would follow it to the letter.

Mr. Speaker, at this stage I simply want to address some concerns about the constituency of Point Fortin, and I hope that the Minister responsible and the Minister of Sport and Youth Affairs would see to it that the indoor facility which is now under construction will be completed.

Under the PNM Government there had been a series of community centres which are at varying stages of construction and I do hope that the Government would see to it that they are completed. Also, a police post is now under construction and I hope that the Minister responsible would also see to it that it is constructed. The Point Fortin community has been successful in the Best Village Competition. We won both categories and I look forward to an injection of some type of funding to the constituency of Point Fortin, so that we will continue to excel in the field of culture.

Finally, Point Fortin has been referred to, in many instances, as the Mecca of the Steelband Movement. The records are there to be seen. I look forward to the relevant Minister pumping some money into the steelband movement in Point Fortin.

I thank you very much, and Members on the other side.

Dr. Rupert Griffith (Arima): Mr. Speaker, may I join my other colleagues on this side in wishing you a very successful ascent to your position as Speaker in this honourable House. As one who sat in that Chair, I remember at times that I

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was not always so happy, and I wish to advise, that notwithstanding the tools in our possession such as the Standing Orders and Erskine May's and so forth, we have to rely on Almighty God at times, and I want to leave with you a piece of scripture that I very regularly referred to in those difficult times. I suggest in the Book of Samuel in the *Bible* when Solomon had to make his first major judgment, when he went before the Lord he asked for wisdom to judge his people. I suggest that there are times when you would need that wisdom to preside in this House.

12.05 a.m.

I also take the opportunity to compliment my very good Friend, the Minister of Finance, on the presentation of the 1996 budget. I could well imagine how he must have felt because he indicated twice on the first page of the document that it was unfair to ask a government to present a national budget in eight weeks. I recall he was part of the administration of which I was a member as well, in 1992, when we had just four weeks to present a budget. We never complained and that budget set the stage for the development of this nation. I think we all would recall when we took office in 1992 how the economic situation was. That budget set the stage for a sustained economic growth, a growth which the Leader of the Opposition pointed out so eloquently in his speech today—and I compliment him for it—and that sustained growth led us today where we have a very sound economic situation.

While I compliment my colleague, as I listened to his presentation, I could not help thinking about two things: one was a very popular calypso in Trinidad and Tobago. When we heard the national community and those on the other side speak so much about how sweet the public thought the budget was, it reminded me of a calypso some years ago which said: What is sweet in goat mouth may be sour in another.

The other thing it reminded me of is, some years ago I saw a movie which was called "The good, the bad and the ugly." When the Minister said in his speech that when he looked at some of the projects that the former administration implemented, he said some were good, some were bad and some were mad. But I think the budget reminded me that there was some good; there was some bad and some ugly.

Most of my colleagues throughout the debate today spoke about some of the good, some of the bad and some of the ugly. I want to compliment the hon. Minister for some of the good. I would not go through all of them because I think

it is well recorded here today. But I specifically compliment him on the reduction in the personal income tax measures from 38—35 per cent and the marginal rate, 33—30 per cent. I thought that was a good step, even though I am sure he is aware it was the former administration's intent to reduce it by approximately 5 per cent. I am sure he is aware of that.

The corporation tax, 38—35 per cent, I consider that under the "good." The zero-rating of some food items, however small, is a significant step. It reduced the price on some of the food items and I think, again, in response to the budget speech, the Leader of the Opposition spoke of the extent of the measures that we reduced. If we go to the Act with the zero-rated, you would see there a substantial number of food items that have been zero-rated, including over-the-counter medicine, that the previous administration implemented very early in its term.

The reduction of basic tax levies, that is also good. But when we come to the bad, you look at removal of tax incentives. We talk about the removal of tax credits to the Unit Trust, the bonds, the reduction of the mortgage interest from \$24,000—\$20,000 and the credit union. It was stated that if credit unions do not get their act together by 1997, incentives would also be reduced. I thought that was bad because as many have said, and I agree, we need to encourage savings in this nation. A nation that does not save is a nation that cannot enjoy prosperity, growth and development. I think this move is a bad one because it is a disincentive to saving.

But when you come to the ugly, I share the views of the Member for Port of Spain South and the Member for Tunapuna when they spoke about the amendment to the Shop Act. I do not profess to dictate morals to anyone, but I feel very strongly that selling liquor on public holidays, in particular, religious holidays is a retrogressive step in this society. I think especially on religious holidays, families and individuals need to concentrate—

Mr. Assam: Mr. Speaker, will the Member give way? This is the second Member who made the point, along with the Member for Port of Spain South. Are these Members aware that alcohol has been sold in every institution in this country: hotels, restaurants, bars, and the only place that alcohol is not sold on a Sunday is in the groceries? Are they aware of that? This has been going on from time immemorial. Is he also aware even Christian churches that have bazaars and harvests on a Sunday sell alcohol at these bazaars and harvests?

Dr. R. Griffith: The answer to the question is, yes, I am aware that bars and rumshops sell liquor on Sunday, but I am talking, in particular, about religious holidays where alcohol could be bought in grocery stores. I am particularly concerned about that. We live in a democracy. One is free to go to a bar, a rumshop, any day that he wants when it is open, but I am concerned specifically about the religious holidays where we are going to open the grocery stores to the sale of liquor.

One other point I want to make before I go into what I want to address tonight is that I note a very punitive tendency to solve problems by actually removing them. One such example is the returning residents. I ask the hon. Minister of Finance to seriously consider this, because he still has an opportunity to amend the Bill at the committee stage to include this in it. When the measure was placed for returning nationals it was recognized—and I think it is still needed—that we have nationals abroad with skills that this country needs, particularly in areas such as communication and in some technologies. To remove the amenities completely because there was some abuse, I think is not the proper step. There were some abuses, but in solving a problem you do not throw the whole thing out. You could identify the problem, seek steps to resolve it and where it is genuine and valid, you can allow those persons to come in. I think the nation could benefit and I think if properly managed it is going to be a measure that would be well accepted and of tremendous value to the country. So I suggest that the Minister reconsider that and perhaps there is an opportunity for him to amend the Bill to include that.

12.15 a.m.

I heard voices talking about the credit unions needing to get their act together and if they do not, we will remove the incentive.

Indeed, the credit unions need to get their act together. I listened to the Minister of Labour who spoke earlier about there being many problems with the credit unions and some of them are up for deregistration, therefore, I believe this Government should seek ways of helping the credit unions get their act together. They provide a service to an economic grouping in this country that is valid and of need, and measures should be taken to help them land flat on their feet so that they could continue to perform. This threat that is hanging over them, that if they do not get their act together by 1997, the subsidy would be removed, I do not think is the proper step to pursue. So, I also want the hon. Minister to consider that in his preparation.

Let me get to what I want to address tonight, community development. We in the PNM have always given much priority to the development of our communities. In our manifesto we talked about enhancing rural communities by upgrading the level and quality of social amenities and services provided such as health care, recreational and educational facilities; to provide incentives to new and existing industries, particularly those involved in agro processing, to locate their operations in rural areas with particular emphasis on job creation. Also, to stimulate industrial and agricultural activities in currently underdeveloped areas such as Nariva Swamp, Oropouche Lagoon and so forth. Also, to continue the development of infrastructure in rural communities by improving among other things, feeder roads, electricity, water supply, telecommunication systems, rural housing, drainage, irrigation and so forth.

Further, the former administration always sought to encourage on a national scale, the caring for the aged; specific programmes for tapping the invaluable resources of experience and knowledge that lie within the senior citizens of this country; to provide support for the homes for the aged with the intention of providing them with facilities for creative and productive persons; encouragement for organizations for and of senior citizens to provide them with stimulating activity; improvement of a system of distributing benefits for the aged.

It has been our policy, among other things, to develop the communities. I believe that when one talks about the development of a nation, it begins with the development of the communities, rural or otherwise. Many measures were put in place by the former administration to enhance the development of these communities. I would just mention a few of these projects that were highly successful during the period 1992—1995.

A programme for community centres. Since 1992 under the Community Centre Enhancement Programme, a total of 86 community centres have been refurbished and 22 new centres were constructed; five more are designed for completion early in 1996. I know in my own constituency there are three brand new community centres to be built and all of the community centres have been refurbished or are in the process of being refurbished.

Also, there was a Community Education Programme where 18,200 persons have been trained between 1992 and 1995 under the Domestic Support System of this programme and 4,190 received training under the employment generation, a complement of that programme. Then there were export centres in Laventille, La Brea, Fyzabad, Point Fortin, Mount Hope and San Fernando which are now

operational. Six other centres have been commissioned for adult training and heads of households are employed in each of these centres.

Management of these centres is being provided by the Small Business Development Company. That is a very successful programme.

Then we have the relief centres and community kitchens. There is one at Picton, Laventille—a relief centre—and eight community kitchens which have been fully equipped. Three other major centres run by non-governmental organizations and 15 community kitchens were opened in 1995. As a matter of fact, there are 17 community kitchens which were opened. Then, there was the Geriatric/Adolescent Partnership Programme. I would come back a little later on to give examples of how these community relief kitchens operate.

There is the Geriatric/Adolescent Partnership Programme. Four hundred young persons enrolled in 1993 and in 1995, 600 persons are being trained in five centres at Laventille, Sangre Grande, California, San Fernando and Penal, and there is one in Princes Town. We heard earlier today that the Sangre Grande station won a national award by the *Trinidad Express*.

Then, there was the Retirees/Adolescent Programme which is a project instituted in the South and North of Trinidad where 300 participants and 15 retirees are involved in each of the projects.

Then, I am sure one must have heard about the Neighbourhood Watch Groups. We are all aware and are experiencing levels of crimes and another community project that is very effective is the Neighbourhood Watch Group Programme. Over 100 of these watch groups are already in communities throughout Trinidad and Tobago and the feedback is that they are very functional and effective, and in some of the areas, there is reported to have been a significant reduction in crimes.

I may say that with the Retirees/Adolescent Programme, which I mentioned just now, is a programme involving junior secondary schools working along with retired people. Many people have received VSEP; they are still very young; they have very usable and saleable skills and are working with the junior secondary schools. Many of them are on a shift system and the young people are unsupervised for long periods of time. This programme is working well where the young people are working along with the adults in harmony; there is much growth and development. Much learning is taking place in that programme.

Mr. Speaker, the Terminal Malls Programme is being utilized for commercial activity. These activities are assisting a number of persons, particularly single household persons, to gain saleable skills. They can produce items for sale and many people are becoming self-employed.

12.25 a.m.

Let me refer and give an example of some of the relief centres and read into the records some of the successes. I look first at the Spree Simon Centre. From December 19, 1995 to January 6, 1996—that was mainly the Christmas Yuletide season—a total of 6,290 meals were served. That is a remarkable feat.

Taking a daily average for the month of December, 1995, for example, there were 12,454 persons over 31 days. An average cost per soup bowl was about \$3.25. Also, recognizing that in this area many persons depend heavily on income from the Unemployed Relief Programme and during that period the URP is not available to them at this point in time. I am hearing that it would be open after the Carnival but during this time, the Spree Simon Relief Centre has been providing much assistance to the people in the area and heavier demands are being made on the centre. We are seeing that persons who are experiencing difficulty can go to the centre and there is an increased demand on the Spree Simon centre especially around this time.

Further, the Escalier Anglican Government Primary School at St. Barbs, the Morris Marshall Foundation and our Lady of Laventille Catholic Church, have all sought service from the Spree Simon Centre. Here again, this is another programme implemented by the former administration. It is a very successful programme serving the needy in the area and yet we hear accusations that the former administration is not caring for the needy and the poor of this country. Nothing could be further from the truth. This is a living example of such.

The Spree Simon Centre not only provides nutritional meals, it provides several other types of service to the community. For instance, some of the programmes that are already initiated are the AIDS Awareness Programme; in excess of 5,000 pieces of clothing have been distributed from that centre; toys distributed on Christmas day; special feeding programmes on the three special days of the festive season including fish, sweetbread, cakes, juices and soft drinks for both dining-in and take away as well.

Mr. Speaker you would realize that there are many people who are ill and for whatever reasons they are shut-in and cannot come to the centre to receive those

meals. The needy who go to the centre can take the meal home for the persons who are shut-in, so they too, are also provided with meals.

There is also the African Improvement Committee of Laventille which received financial assistance to obtain materials for their ceramic and concrete sculpture production for Christmas and onwards. The Elton Griffith Foundation of Laventille received assistance in fulfilling a painting contract with NIPDEC to paint the Bethlehem Primary School at Besson Street. The Fruit and Vegetable Preparation Programme has also begun with the staff as the first target group. They will go on to become trainers of persons who in turn will assist others in this venture.

Two cases of asthmatic attacks, one hernia case and one possible over-dose of drug were sent to the General Hospital via the Fire Service ambulance. So the centre is also providing this kind of outreach services to people who are in need of this type of assistance. Tomorrow's People Youth Group held their Christmas dinner at the centre. The Spree Simon Co-operatives Pan Harmonic Christmas dinner was prepared with their ingredients at this facility. The Spree Simon Old Year's Night cook-up was done at the facility and the hon. Minister of Community Development attended that function. The conducting of O'Level arts classes and other types of courses, an evening of cultural interlude by sweet innocence, counselling programmes as per request involving those in pursuit of their master of arts and their MBA degrees, ministers of religions, attorneys, credit unions and co-operatives' personnel.

Mr. Speaker: The sitting is suspended until 1.00 a.m.

12.30 a.m.: *Sitting suspended.*

1.00 a.m.: *Sitting resumed.*

Dr. Rupert Griffith (*St. George East*): Mr. Speaker, before we took the short break I was reading into the records the status reports on some of the relief centres and the community development programmes which were implemented and are well on the way to receiving success. I would like to continue to read from the *Status Report* some of the progress of these various community relief programmes. I was reading about the programme at the Spree Simon Relief Centre. It states:

“The centre having served its first hot meal on Saturday October 7, 1995 has to this day served approximately 1,500 meals.

The process of empowering those in the community have begun. Within this week two families will be set up and supported in cottage industry in a joint effort between the relief centre and the Spree Simon Co-operative.

The relief centre will provide the environment and conditions necessary for food production and processing.

The Co-operative shall provide the financial and marketing assistance. This facet of the programme shall be further developed.

It is the intention that within a year those who are being assisted shall be able to operate fully from within their own homes.”

In other words, there would be a move to making centres within the homes so that food production and processing can also take place.

As far as the audio visual at the centre is concerned, the centre will have films and movies that will focus on issues of morality, ethics and self-esteem, on a regular basis for the community. There will also be a legal clinic and services to be provided by the clinic shall be legal counselling, legal advice and legal education programmes. There will also be a medical clinic and medical services shall provide both normal medical and homeopathic advice and applications that will be available to all applicants.

Then there is a clothing programme which includes clothing for all, from babies to elders within the community. There is also a book grant programme. Both school books and library service will be available for use at the centre.

The health education unit of the Ministry of Health shall be conducting the health education programmes at the centre. There is also an Aids programme. The National Aids Programme shall be conducting a series of Aids awareness programmes and other programmes such as First Aid. This programme is already in place with personnel from St. John's Ambulance Brigade and the Spree Simon Co-operative working together in training people in First Aid and even administering it when needed.

There is also a disaster preparedness programme which is to be finalized for its full implementation. There are aspects of it going on now but it is being developed in the process.

I go on further about relief centres. There will be some additional relief centres. Some of the major centres which will operate under a similar system to the Spree Simon Relief Centre will be the Women's Federation Institute at

Cocorite, the Revival Time Assembly at King's Wharf San Fernando, East Side Plaza, Sea Lots, George Street, St. James and Woodbrook.

At the Women's Federation a school for underprivileged children aged 11 years has already started with voluntary staff and programmes for self-development on stream. Distribution of food packages is already in process.

At the Revival Time Centre meals are distributed on weekends, but with the completion of renovations this will extend to its full potential seven days per week and meals are to be delivered in-house to shut-in recipients. There will be 60 additional minor relief centres. This is to be completed within one week.

Another relief centre is in Cocorite. There are 34 persons who have enrolled for interior decorating training; 20 persons for small appliance repair; 15 persons for remedial classes and 17 persons for garment construction. The programmes as co-ordinated at the Spree Simon Relief Centre shall flow throughout and there will be a harmonizing of all the programmes in the relief centres.

At the Cocorite Relief Centre there are several other projects. For instance there is a vegetable garden that is employing the box technique. That will take about six weeks, but the vegetables grown by the recipients are used in the preparation of the meals. Persons benefiting from the meal programme also contribute by working in the maintenance garden and the box garden. This is a very welcome move.

The structural development works with the kitchen at the East Side Plaza is completed and installation of the equipment is in process. The programmes will facilitate the needs in particular areas in addition to already agreed programmes. Others that are finalized will also benefit and feed into this programme.

There are depots or feeding centres which are located at George Street Community Centre, Sea Lots Community Centre, Woodbrook and Laventille. At George Street this centre is now ready. The repainting was carried out by NIPDEC and furniture has also been placed in the centre. This furniture was a loan from the Spree Simon Relief Centre to allow the immediate commencement of that programme. We begin to see how the Spree Simon Centre is like a focal point for the development of all these centres.

Other programmes to be initiated before January 31, 1996 include health education programme, Aids awareness programme full legal clinic, medical clinic, dance classes with Linda Pollard Lake, small business incubator; the setting up of those regular inter-cottage industries, varied training programme in

personal financial management, craft courses, child care, family planning, disaster emergency and first aid, audio visual presentation, a weekend community theatre programme and outreach programmes to meet various needs.

1.10 a.m.

At the Cocorite Relief Centre, the kitchen segment of the development work is 97 per cent complete and it will be completed by the end of this week. Here again, there will be food preparation and distribution from this centre.

In addition to that, there are some 12 centres throughout Trinidad and Tobago in areas such as St. Patrick—the Siparia Soup Kitchen; Victoria East—Moruga Soup Kitchen, Sisters Road Soup Kitchen, Basseterre Soup Kitchen; St. George West—La Canoa Improvement Programme. In Tobago, there is the Bethel Seventh Day Adventist Community Kitchen; Caroni—Milton Community Kitchen, Freeport/St. Mary's Community Kitchen, Longdenville Soup Kitchen, Cawnpore Soup Kitchen and Carapichaima Soup Kitchen. All of these are already in operation.

So, Mr. Speaker, a community development programme has been very much implemented by the last administration, but I turn my attention at this time to the budgetary proposals. As I look at the details of estimates of recurring expenditure, I see for the Ministry of Community Development, Culture and Women's Affairs, there was a decrease in the allocation of \$8.039 million. There is much talk about mobilizing the communities, and as I look at page 26 of the *Medium Term Policy Framework: 1996- 1998*, it states clearly:

"Government will promote community integration, community empowerment and community mobilization with the view to addressing common societal problems and improving the quality of life of the people in their local communities and consequently the nation as a whole."

I note that the Ministry responsible for the Community Development Division is one of the two ministries that had a decrease of \$8.039 million in their allocations. I do not know what signals are being sent. On the one hand it is said that the Government will do such and, on the other hand, we see, among all the ministries, the Ministry of Community Development, Culture and Women's Affairs received an \$8.023 million decrease over last year.

As I look again at page 49 of the *Medium Term Policy Framework: 1996- 1998*, under "Community Development" a number of programmes are outlined. I have noticed that the programmes are a continuation of the

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programmes I mentioned earlier. This suggests that this administration recognizes the value and the high level of success of the community-based programmes and have decided to continue them in the medium term, 1996—1998. Listen to some of what is listed in here. Under “Community Development,” it says:

"Sustain, revive and strengthen a network of community organizations to provide opportunities for participation in communal and national activities, and integrate the three areas of activity of the Ministry into an holistic community based programme."

Under “Principal Strategies and Measures Planned in 1996—1998” is:

"Focus activities on the community in a community-based action-centred, integrated programme."

These community-based action-integrated programmes are programmes that were put in place by the last administration and they are receiving success. Listen to the other portion:

"Strengthen community organizations through an extensive programme of group servicing."

In other words, those programmes are there and they are seeking now to strengthen them through an extensive programme of group servicing.

Then it says:

"Provide training in leadership, management, remedial education, skills training, and sports."

But this training, as you have seen, Mr. Speaker, is on-going, so perhaps these should be corrected to say "continue to provide."

Then it says:

"Develop a draft policy document."

I suppose that draft policy document would be a new vision. I am waiting to see what that draft document would include. As we go down it says under “Policy Areas and Objectives”:

"Create and develop programmes to assist people to cope with, and overcome social and economic deprivation."

And it says in the second column:

"Implement:

—the Domestic Support Programme

—the Employment Generation Programme."

What I believe it should say is "continue the implementation of these programmes" because these programmes are already in train and have been implemented with tremendous success in the community.

They then listed the programme of training at the community to involve culture, skills and gender components and to address a wide range of social and community concerns.

It says then, under "Policy Areas and Objectives", "Sustain opportunities for the development of economic activities," with the principal strategy being to continue to implement the Export Centres Programmes, the Terminal Malls Programmes and the Handicraft Development Programme.

So the Ministry of Community Development, Culture and Women's Affairs has already set the stage for this new administration to continue the programmes which are effective and I must compliment the Government for being honest enough to say that they will keep the programmes that are good. What is outlined here in this *Medium Term Policy Framework: 1996—1998* is a clear indication that the programmes that were implemented by the last administration are good and they intend to continue them. I compliment the Government for continuing with the programmes started by the previous administration.

I want to look briefly at page 75 of the *Draft Estimates of Development Programme*, Head 41—Ministry of Community Development, Culture and Women's Affairs; Sub-head 14—Social and Community Services. In 1995, the revised estimate was \$22.6 million and in 1996, there was a reduction, an estimate of \$21.4 million, a decrease of \$1.2 million. We see under sub-head 003: Community Development, Construction of Community Centres, that in 1995 there was \$14.6 million; in 1996, \$13.4 million, which is a reduction of \$1.2 million.

Now most of the community-based programmes are held in community centres. I noticed that while under the last administration there was quite an impressive programme of building and refurbishing new community centres, I see here a massive reduction in the number of community centres. As I look at the *Public Sector Investment Programme*, I see that there is an extensive number of

community centres for Tobago, and I must compliment the Ministry for its efforts in not only building new community centres but for refurbishing community centres in the villages in Tobago. My good Friend from Tobago West will be very happy about that. When we look at the number of centres to be constructed, we see the construction of community centres at Hope, Signal Hill, Golden Lane, Argyle, Parlatuvier, the upgrading of community centres at Scarborough, Speyside, Moriah, Whim, Mount St. George, Calder Hall, Belle Garden, Bethel, Canaan, Bon Accord, Lambeau, Mount Grace, Harmony, Glen Road and the construction of news stands and so forth for community-based programmes.

I did not see many of these constructed in Trinidad and Tobago, but nevertheless, I am pleased to see that emphasis is being placed on the building of community centres to facilitate the various types of training programmes.

1.20 a.m.

Mr. Speaker, because the documents before us did not emphasize very heavily the village and community councils, I suggest to this administration that this should be an area of emphasis. In 1992, when we were voted into office, in my constituency there were 12 village and community councils registered but only one village council was functioning. One of the reasons outlined was that the administration before did not put any emphasis on community centres. In Arima we immediately started off by resuscitating community centres and village councils. The village councils, as you know, play a very important role. It is like a first step in local government.

Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Dr. R. Griffith: Thank you very much, Mr. Speaker and hon. Members for the extension of time granted me.

Mr. Speaker, the village and community councils are very important groups within the community. They provide a very first-step role in local government. Their efforts contribute tremendously in determining the type of activities and training programmes for the various communities. As I said, in 1992 in Arima,

there was only one out of 12 village councils functioning. Realizing the importance of village councils, within the period of one year we were able to get all 12 of these village councils functioning.

We held consultation with the village and community councils. We felt that we should bring these community groups together to talk. We invited non-governmental organizations, church organizations, small business groups and people from various government organizations to listen to the views of the people of the village councils. It was very instructive to listen and find out the needs of the village councils since, they are well-poised and placed to determine what the community's immediate needs were. The theme of that first meeting was, "Village and Community Councils Working together in Partnership", working together with non-governmental organizations, government organizations such as the local government bodies, and even representatives from central government to empower them to get things done in their villages.

The URP played a very instrumental role in helping the villages receive many of the amenities that were needed. At that first village and community council meeting the hon. Minister of Local Government, the Member for Diego Martin Central, gave the keynote address. We did not stop there, Mr. Speaker. The village councils came together and held discussions among themselves and exchanged views with the various organizations present, after which they went back to their communities and were able to network with these organizations for their development.

In 1994, we held a second consultation of village and community councils and the theme then was, "Village and Community Councils, the way forward to modernization". In other words, what were the mechanisms they wished to put in place in their own villages and how they could use their own councils to empower them to modernize their environment.

After consultations in the first year, they came with reports of what they had done and identified problems and issues affecting their villages and we were able to expand the number of participants; the non-governmental organizations attracted many government organizations as well and had members of the diplomatic core present at that second consultation. At that time the hon. Prime Minister, Mr. Patrick Manning gave the keynote address which was well-publicized and which led to further interest in the village council movement, particularly in the Arima constituency. Bear in mind, Mr. Speaker, that was done at the level of the Arima constituency.

There was a third consultation and the theme of that was “Village and Community Empowered to get the job done”. At that third consultation they came after two years of empowerment to tell the various groups present what they had achieved over those two years, and suggested the way forward for their own villages. It is amazing, Mr. Speaker, the kind of needs that emerged. Specific training needs were identified. The village and community councils assisted in identifying the types of development programmes which they needed in their areas and assisted in the refurbishment of their community centres. Working with the Ministry of Community Development, they were provided with many utensils such as sewing machines, cooking utensils and so forth and were able to source the kind of training for skills development for the young people and adults in the area.

The village councils were able to empower themselves in the area of small entrepreneurial activities, and many of them became self-employed, thus moving the reliance away from programmes such as the URP and other similar type programmes.

I would certainly like to see this administration put greater emphasis on the village council and community council groupings. I think it is a resource that can provide tremendous guidance to the ministry and to various agencies for community development type work. People should be empowered and should be allowed an input. After all, they are the ones to benefit and who have to live in the environment. The village council is a catalyst for that type of interaction between the Government, non-governmental organizations and community councils.

1.30 a.m.

I wind up by reflecting a bit on my own constituency. As I looked at the *Public Sector Investment Programme* I noted with great interest some of the projects that were referred to that are to be completed. At the Arima Hospital funds are made available for the equipment.

I am asking the relevant Minister of Health to ensure that the equipment for the long-awaited hospital for Arima be put in place so that we can commission that hospital as soon as possible. The infrastructural work was completed in 1995 and my information is that what is holding up the commissioning of the hospital is putting in the equipment. I am asking this Government to expeditiously complete that exercise.

I also noted with interest that funds are available for the completion of the Arima Boys' Government School and I find that to be very commendable.

With regard to the Rural Electrification Project—I see the Minister of Public Utilities is here—I have been advised that I should extend an invitation for him to accompany me through the rural areas such as Paria, Brasso Seco, Morne La Croix and Lower Blanchisseuse, and we can get that long-awaited Rural Electrification Project for those remote villages in place. I understand the work was completed last year and we were promised that the villagers would have gotten their electricity for Christmas. So I am putting a plea here for an early completion of that project for the people of Paria, Brasso Seco and Morne La Croix.

Hon. Minister of National Security, with respect to the police post in Santa Rosa Heights, there is provision for the completion of that police post, because it is a very high crime area and I am pleased to see that it was retained as one of the projects to be completed.

Hon. Minister of Legal Affairs, with respect to the magistrate's court and the high court in Arima. I note that the construction is to continue and that work would be in-train some time this year. I also noted with regret that the general administration building for Arima has been removed from the *Public Sector Investment Programme*, along with several other programmes such as the national library. I am sure the former Minister of Works and Transport can outline a number of these construction buildings that have been removed.

I am particularly concerned about that administration building because Arima is what is referred to as a catchment area; it services over 200,000 people from very dense and growing neighbourhoods such as La Horquetta. There is a population mobility in the East; there is Maloney, Santa Rosa Heights, Eleanor Gardens, Tumpuna Courts: there are five housing phases in Malabar, and then there is the dense population area such as the Pinto area of about 15,000 residents and there is Wallerfield. There is Heights of Guanapo, Heights of Aripo, Manuel Congo, Brazil, San Raphael; Arima serves Blanchisseuse, La Fillette, Morne La Croix, Paria, Brasso Seco and several other areas.

What happens if one needs a document, for example an ID card, to replace a lost ID card? One goes to the Elections and Boundaries Commission, the person gets a slip; that person has to walk about five or six blocks to the centre of Arima to a building that is now being rented, where he pays a fee, receives a receipt and

has to go to another part of the building to get it stamped; and then that person has to go back to the Elections and Boundaries Commission before he can get a replacement ID card. A similar thing happens for a birth certificate. This administration building would be serving well over 200,000 residents in a densely populated area. I urge the hon. Minister of Works—he is here with us—to look into that and reconsider the reason for removing the general administration building from Arima.

I am hearing lots of talk of a new city in Wallerfield—and the Minister of Housing is here, I understand that he has macro plans for a new city in Wallerfield. I was very pleased to have been part of the cleaning exercise of Wallerfield and I am waiting with bated breath to see plans for the new city that is proposed for Wallerfield.

Having said these few things, I encourage the hon. Minister of Community Development, Culture and Women's Affairs to take note of some of these suggestions that I have made for improvement of the various communities for which he is responsible. I am available to assist with those programmes in the Arima constituency for the advancement and development of the people of Arima. Mr. Speaker, I thank you for allowing me to make this intervention.

Mr. Fitzgerald Hinds (*Laventille East/Morvant*): Mr. Speaker, it is with great pleasure that I stand to speak in this honourable House at this time of the morning. I am invigorated, I am enthused and I look forward to my opportunity with relish. Sadly, Mr. Speaker, I had planned, as a new Member of this House, to be engaged in a true debate. I express some degree of surprise and dissatisfaction at the fact that the supposed debate has taken the course that it has. Perhaps in my ignorance, I sat here and I asked myself whatever has become of the concept of transparency and openness when we can discuss an important issue as the nation's budget at this hour of the morning, when only a few very public-spirited people in our community will be here and when the most prolific form of communication to the large mass of people is obviously not with us in this House.

Notwithstanding this, Mr. Speaker, we on this side will, as we always have, continue to perform creditably and with the dignity that we know we should. *[Desk thumping]* We know that there are attorneys on the other side who understand the concept of natural justice, so when I say if you are going to remove the goal posts during the course of the game, it is only being courteous at minimum that one says so beforehand.

During the course of the Minister of Finance's budget statement, he quite naturally made reference to the very important business of the nation's education. It is to this that I would address my few comments. The previous administration, our administration, on the basis of a White Paper that dealt with the whole question of education for our country for the period 1993 to the year 2000, put forward a number of proposals to deal with the question of education for our society.

At the macro level, what is noteworthy, is that the programmes and policies so far enunciated by the Government reflect almost entirely that which we had put forward as our own. It is reflected in our manifesto. As I have said, it is all based on a draft white paper extending from 1994 to the year 2000. It falls into four basic categories. We looked at the management of the education system, curriculum reform, the physical facilities and, of course, support services. In terms of the first of those categories, the management of the educational system saw on two levels what I would call a macro and a micro level.

1.40 a.m.

The budget speech by the Minister of Finance did, I gather, allude to the question of decentralization. This question of decentralization is clearly spelt out in the White Paper where we based our plans and policies, and is already in train. He is, I am happy to report to this honourable House, a few steps behind us.

We decided that we would use the existing educational divisions and invest them with the authority and responsibility for certain very important functions. For example, Schools' Supervisors III has been put at the head of eight educational divisions. The process of office accommodation for these divisional offices is already well on the way. St. George East and Port of Spain is already properly established and accommodation has been approved for the divisional office in Princes Town.

In addition, the recruitment of Schools' Supervisors is already also on the way, and the relevant commission has already interviewed persons for the post of Schools' Supervisors I. At this stage, may I bring to the attention of this honourable House that it was surrounding that issue that the Minister of Education caused himself to be the subject of national debate when we were advised that he intervened and, I suspect, attempted to stop a natural administrative process from getting on the way. Sad, Mr. Speaker, but quite true.

At the micro level, principals and vice-principals had been trained for upgrading schools for the whole purpose of improving community-based management—part of the process of decentralization. In terms of the second category, curriculum reform, this too was broken down into certain subheadings:

1. The content of the programmes.
2. We considered how do you deliver, what method of instruction do you use to communicate the information you need to the students of our country.
3. Evaluation methods.

It is here that we looked closely at the question of the Common Entrance Examination and considered whether it was the way forward, or whether we should consider a reform of same and, of course, teacher education. Again, all of this is spelt out very clearly in our manifesto.

I would like at this stage to ask the relevant Minister a few basic questions so that he can advise Trinidad and Tobago:

1. What is the Government's position with respect to the 11-plus examination?
2. What is the Government's position on the question of restructuring of the 14-plus?
3. What is the Government's position with respect to the development of a National Certificate of Secondary Education?
4. What is the Government's position on early childhood education?
5. What is the Government's position on the restructuring of the systems on national scholarships?

Perhaps the answers to these questions may not be readily forthcoming because, again, very recently the relevant Minister caused himself to be the subject of national debate when he, by way of a strange intervention, perhaps alienated himself from the majority of the public servants in the ministry, the people on whom a minister quite naturally relies for information. So I suspect that the answers to these simple questions may be long in coming, but, notwithstanding, I look forward to the responses.

The question of technical vocational training was also mentioned in the budget statement. A task force was established and it looked to the question of the upgrading and the revision of technical/vocational education and on the

programme of teacher education throughout the school system. I ask: Is the Minister aware of a report submitted in October by a committee headed by Dr. Stefan Gift, and how does he propose to deal with that report?

Miss Nicholson: Good boy! Bright boy!

Mr. F. Hinds: He certainly is.

Mr. Assam: How long ago?

1.50 a.m.

Mr. F. Hinds: I had just made that quite clear, hon. Minister. Mr. Speaker, our administration looked at the question of advanced skills teaching programmes.

In terms of this programme, our Government proposed to prepare principals and, indeed, other teachers in the school system for the 21st Century by putting in place a programme where we had hoped that within the next five years some 800—1,000 persons would have acquired a Bachelor of Education degree so as to make them better able to serve the nation, through the nation's children of course.

I now look at the question of pre-school. I noted in the budget statement that in an attempt to deal with the question of crime in Trinidad and Tobago, the Government is proposing a comprehensive programme to look at education from pre-school right on through to university. It sounds well in principle—beautiful in principle—but one has to look more closely to see what happens in practice.

I am reminded of—and it is now quite public knowledge and no doubt this honourable House must have heard of this during the course of this debate and will surely hear much more both inside and outside of this honourable Chamber—the question of the refusal to continue with that rather important project, the Library Complex, which our administration had planned and had already set about establishing.

Mr. Assam: Did you raise the money for it?

Mr. F. Hinds: Mr. Speaker, if you are speaking about education in a society like ours, or indeed in any society, a library facility is of paramount importance. It has been said and, it is quite true—to borrow a line from my dear Friend—that

libraries are our minds' best friends. If one is talking about education as we approach the 21st Century, one must quite naturally speak about a library facility that has the capacity to deal with students as they approach the 21st Century. To suggest rather simply that instead of having one major library, there can be a number of them around the country is to suggest that one certainly is not visionary. More than that, one does not understand the vision that we had put out and established as we sought and conceived that noble programme, the Library Complex. On this, Members shall indeed hear much more.

As I return to the question of pre-school education, Mr. Speaker, the previous administration put in place and continued a programme of universal pre-schooling. It set up a national council for early childhood care and education. Funding for this—in answer to a question—came and would have continually come from the recurrent budget and, of course, with the assistance of World Bank financing.

In terms of the rather important physical facilities, we embarked upon a school building programme again to be funded in part by the World Bank and in part by the recurrent budget. *[Interruption]*.

Mr. Speaker, in terms of the loan for these projects, Government last year completed negotiations on this score. It has been already approved by the World Bank board and all that is left is for a simple signature to be placed and then the disbursement will take place. The programme involves school building, curriculum upgrade and funds for teacher education management.

Hon. Member: Take your time.

Mr. F. Hinds: We have 75 minutes, a long time, and much to say.

In terms of early childhood education, we considered that one should take a holistic approach. We considered that in addition to intellectual development there was clearly a need to look at the health of the child whom one sought to educate. The family surroundings, the community influences, all these we saw as complementary to each other; as I have said, a holistic approach to education. Even the question of family life education, social studies, and moral values will be taught.

In other words, the previous administration recognized, quite clearly, that one had to take a global view of education, particularly in a multi-cultural, multi-ethnic and multi-religious society. We recognized the dangers of people being myopic and we also recognized, quite clearly, that only a holistic approach to

education can cause our children to develop in the way that they should so as to ensure that we live in a happy and healthy, peaceful Trinidad and Tobago in the years ahead.

Mr. Sudama: Have you ever looked at that school curriculum—holistic education?

2.00 a.m.

Mr. F. Hinds: Mr. Speaker, in terms of the support services—the School Feeding Programme, the School Transportation Programme—they all received significant attention and funding by the previous administration. We inherited a situation where 54,000 primary school children received meals three times per week. We brought the programme to a position where 76,000 children received meals five days per week. [*Desk thumping*] Mr. Speaker, this is reflective of care, concern, a tremendous amount of thought and organization, and not an insignificant amount of money but, Mr. Speaker, we found all of that rather easy to do because, as I indicated earlier, we embarked upon a holistic approach to dealing with the well-being of our nation's children. This 76,000 roughly comprises primary, secondary, and, of course, pre-school children. In other words, expenditure on the School Feeding Programme—and I say, again, I am rueful of the fact that this debate was not conducted when we had a very full public gallery, but you can never stop the sun from shining.

Hon. Member: That is true, the Rising Sun!

Mr. F. Hinds: Of course, Mr. Speaker, I am not talking about any make-believe sun, I am talking about the real sun, the sun that rises in the morning and sets in the west; the one created by the hand of our Creator, not by any man. Not by any men who have bound themselves together to perpetrate mischief! The real sun; not a wooden sun, not a painted sun; God's sun, Mr. Speaker.

What I am saying, Mr. Speaker, and the records will show, is that under our administration we have more than doubled expenditure on the School Feeding Programme, so that when persons shout that we are uncaring and they mock the programmes, as you would have heard from the previous speaker, the Member for Arima, about the kitchens. Let them mock; let them laugh. We have demonstrated

genuine care, Mr. Speaker, and soon when we are given another opportunity, we will continue so to do.

Mr. Speaker, in the budget statement, an allocation was made for the National Training Board and other training agencies. Our administration recognized the need for this. We recognized that there were certain inherent problems like the fact that there was a multiplicity of bodies dealing with training. There was much duplication of effort. As a consequence, Mr. Speaker and Members of this honourable House, we produced draft legislation establishing a National Training Agency.

While the new Government is free to chop, change and amend this draft legislation, we advise that it is crucial to put such an agency in place to deal with some of the problems that we discovered out of an abundance of experience. This will rationalize the whole system of training, especially where you consider major initiatives like the National Skills Development Programme and other such apprenticeship schemes. We think that the YTEP programme should be included, and come under, if you like, the National Training Agency, for in future when the funding from the external agencies would have long gone, it would have found a secure place in our educational and training effort, so that our youth will continue to benefit therefrom.

Mr. Speaker, I listened, not too long ago, to the budget statement and an intervention a few moments earlier from the Member for St. Joseph, as he attempted to rebut a position taken by the Member for Arima on the question of the sale of alcohol, including on religious holidays. While I agree that it is, in fact, the practice that alcohol is sold around the country on Sundays, with the exception of the supermarkets, one has to be mindful that when you are in Government, notwithstanding all that happens around you and outside, the Government must be careful not to send inaccurate signals to the population. It must always hold its head up and its shoulders square, and demonstrate sobriety to the nation. So it does not follow, that because alcohol is sold on Sundays, as has been described, around the country, that the Government should necessarily signal that it should be done, and that it is quite right to sell alcohol including on religious holidays, particularly, when there is no evidence of consultation with the various groups across the country. [*Desk thumping*]

Mr. Speaker, some persons, including members of various religious organizations and persuasions from my constituency, have already expressed

abhorrence and concern for that proposal and, no doubt, like many other of the plans and programmes we have heard, we shall hear much more.

Mr. Speaker, it is incumbent on me, as a young man and as a Member of this honourable House, to address a few words in this budget debate to the youth of the nation. In the budget statement I said earlier I have observed that mention has been made about education of the nation's youth from pre-school right on through university. I applaud and, indeed, encourage any effort to improve educational systems and, thereby, the lot of the nation's youth. But when, Mr. Speaker, the hon. Minister, in short order within hours, almost, of his appointment, found himself to be labelled as dishonest by the largest teacher-representative body, questions must be raised about the well-being of the nation's youth.

One high-ranking member of that association contacted me and described—and I make no judgment on it and I am not so describing anyone; I am merely repeating the report that came to me—the conduct of the hon. Member for Tabaquite as unbecoming—

2.10 a.m.

Hon. Member: That courageous Minister of Education! [*Desk thumping*].

Mr. F. Hinds: Well, of the adjectives that came from that very senior member of the union to which I referred not one of them was courageous. I wish it were, because we share a lot in common. We have a social conscience and we are both Members of this honourable House. I wish that he was described as courageous, but sadly, it was not to be. His conduct was described as unbecoming and obscene.

I am saying that not only was there a likelihood of causing oneself a certain amount of discomfort, but to my mind—and I think I am in a position so to say—to some extent, it raises constitutional issues. What do I mean by this? When I say it raises constitutional issues, I mean that what happens when you venture in without taking time to understand what is in place and attempt to run rough, without caution, you may very well be opening a constitutional hornet's nest. My advice—and I give it freely and with honesty—"take time to know her, it is not an overnight plan."

The question of education—*[Interruption]* I am free to give advice. I am a beneficiary of the information that was given to all of us as children in the very educational system that we are now addressing.

On the question of education in general, I wish to quote one small part of the budget statement:

"Mr. Speaker, rapid advances in telecommunications and computer technology in the 1990s have revolutionized education systems the world over, and Trinidad and Tobago cannot afford to be left behind if we are to succeed in a globalised environment. Government, with the assistance of educators and business, will begin a programme to integrate technologies such as multimedia and distance learning programmes within the education process in order to provide increased and equal access to knowledge. The establishment of an open university, with direct linkages to the University of the West Indies Distance Education Outreach Programme and other similar programmes available at other institutions of learning, will be part of Government's strategy to modernise the system of education."

Mr. 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. K. Valley]*

Question put and agreed to.

Mr. F. Hinds: Mr. Speaker, I am entirely grateful to the Members of this House for allowing me to continue this contribution on this rather important debate.

I come to the question of this library complex again because I recognize its importance. More importantly, I recognize that somehow the vision has not reached over to the Members of the other side who rather callously decided to take that off the national agenda at great cost to this nation.

In terms of that facility—and we will hear more about its usefulness and the contribution that it will no doubt make to the education of our citizens—there is another aspect that one must consider. Of course, this is its physical element. Our administration saw this complex as an integral part of the development of the city of Port of Spain. It was, in fact, to be the centre of that development. So that the promenade which we all walk by and drive by and now enjoy, was another part of it. The library complex was to be the centre of this development of the city of

Port of Spain, an effort to cause it to become a top grade world ranking city, not only in the Caribbean, but indeed, anywhere in the world. This was the vision.

Of course, in attempting to establish this, the question of construction jobs is relevant. In our effort to create more and more jobs in this economy, we understood quite well that hundreds of our citizens would have gained employment in the construction of that complex. I am no economist, but I understand as well the concept of the multiplier and the positive effects all of that would have had on our economy.

Again, in the budget statement, we are talking about educating the nation's youth to deal with the question of crime. Many years ago, as I first had exposure to this question of crime, I recall that there were two schools of thought that went into the question of crime and how it was to be dealt with.

On the one hand, some thinkers believed that crime was a function of the individual; it came from him; it was a matter of individual choice to do or not to do crime. The individual is supposed to exercise a conscious decision on the basis of benefits and burdens, pain and pleasure. He decides if he would commit a crime, and he assesses whether the consequences would benefit him or whether they would be more painful. A function of the individual judgment.

2.20 a.m.

The other school of thought is that it is not the individual but it is the society or community in which he lives that engenders criminal activity. That is to say, if he was not exposed to proper schooling and there were not proper housing facilities and all the things that one expects in a good community, he would be more susceptible to committing crime. Two separate schools of thoughts. *[Interruption]* The Member would know a lot, perhaps, about that; I am speaking about another thing.

Mr. Speaker, depending on the view one took of crime, whether one took the position that it was the individual or the society, that would decide the solution one would offer to dealing with the problem of crime. So, that when in the budget statement one hears that if one does the crime one must do the time, and the punishment must fit the crime and so forth, that, to me, sounds like a position that suggests that one must punish the individual because he would have exercised his own conscious judgment and decided that he would do it.

On the other hand, the Government argued time and time again, here and elsewhere, that the PNM administration was responsible for crime because we did

not provide housing, schools and all of the things that went into the other school of thought.

I see confusion in this approach. I see inconsistency. I hear people saying on the one hand crime is caused by societal influences and on the other one is offering a solution that addresses crime when it is caused by the individual. Confusion; it is intellectually unsound. It is not a basis on which any programme that attempts to deal with crime should be approached. Again, in humility, I offer a word of caution.

Mr. Speaker, as the representative for Laventille East/Morvant, an area that falls, of course, east of Port of Spain; an area that was supposed to have benefited from efforts to develop east of Port of Spain, I am very concerned when I hear that that programme as well is under threat. The very people who accuse others of not doing anything to resolve the problems that subsist in my constituency and others like it, particularly, east of Port of Spain, are the very persons who, apparently, are prepared to give precious little time and resources to dealing with a development programme to resolve the problems that they perceive.

I speak as the representative of the people of my constituency and others like it. I urge the Government to take rather seriously those programmes and to ensure that in all its doings and dealings that it remains ever mindful of the fact that the implementation of that kind of effort and programme would, even on the basis of the view that the Government has taken, alleviate many of the problems that they perceive exist, and in many cases, in fact, exist.

This brings me to the question of the allocations for the Unemployment Relief Programme. Without explanation and apparently without good reason, this has been significantly cut by \$15 million. When I meet with my constituents within the next few weeks they would ask the question: Why has this been so? I am asking that some kind of explanation be given to the people of this country and this would put me, as representative, in a position to make sense. As it stands, there is precious little I can say.

I hope, to use the famous words, that good sense would prevail.

Mr. Speaker, in conclusion, I thank this honourable House for this noble and dignified opportunity to address this important debate and look forward to future contributions with eagerness and relish.

Mr. Speaker, hon. Members, I thank you.

Mrs. Eulalie James (*Laventille West*): Mr. Speaker, it is the first opportunity I have to rise in this honourable House since you assumed office, and I join with my colleagues on this side and in the House in general, to congratulate you on your elevation as Speaker; I wish you all the best.

I want to look a little bit at the area of culture, perhaps to outline some of what we had been doing and maybe to find out some things about what the Government is proposing. First, I preface my contributions by saying that the PNM continues to attach major importance to the culture sector and remains convinced that the strength of our nation lies in the richness of the cultural diversity. I am also of the firm view that culture would unite our nation, the Caribbean and, indeed, the world.

2.30 a.m.

I want to look at some of the programmes that are in place, and which I hope will continue with this new administration. If we throw our minds back to the 1986—1991 period when we had the Best Village Programme scaled down—and I am to tell Members that this programme has been brought to a height and it is back in its home in the Savannah and has attracted very large crowds during 1994 and 1995. I encourage this administration to continue to take it in the direction in which we have been taking it, and perhaps, to higher heights because it is the one part of our culture that our people hold on to dearly.

If any Member had the experience of going to the Savannah during that period he would understand what I mean. One would see the exuberance and everybody involved in it, the anxiety and the way they behave with the Best Village programme. It is really dear to the people's hearts. I ask this new administration to continue with the Best Village Programme and improve on it where they see fit so that it can move from strength to strength. The Savannah is now the home of culture and it is our hope that this home would be used year round to promote culture in all its forms. I do hope that somehow the Government will find a way to make it financially viable.

We have assisted in several community festivals and otherwise. Some of these festivals being Emancipation, Divali, Ram Leela, even the 150th Arrival Day. Much assistance came from the Ministry of Community Development and Women's Affairs and I expect that the Government would continue with those programmes as well.

We also had the distinct privilege and pleasure of staging Carifesta IV and VI, a festival which brought many of our Caribbean people together, the different cultures of the different Caribbean countries. It was truly a joy to see all these people perform. This was done throughout the country. It was a decentralized programme and it was taken to several parts of the country. There were many countries particularly, on the second leg, that is Carifesta VI. At the first one there were 14 community festivals and at Carifesta VI there were 53. So that one would realize that at Carifesta V, even though there was a smaller contingent it was so successful that it encouraged more to participate. One knows that we may not be able, at this point, to hold another one in a hurry but we do hope that the festival will continue in Trinidad. We do not mind if we cannot do it on a Caribbean scale; we can do our own thing in Trinidad and Tobago to promote our culture throughout this country.

We were proposing to build a national centre for foreign arts at the Princess Building grounds. Everything was set. The centre was ready to come on stream. It is my information that this project has been shelved. If that is correct information, can we be told why it was shelved? This centre would serve to promote and assist our cultural ambassadors and I hope the Government would see it fit to continue with this centre at the Princess Building grounds.

There was a programme called Steel. We noticed that during the carnival time many bands have difficulty in acquiring finances to do several things to get them ready for carnival. Some of these areas are screen printing, welding and whatever, and the ministry embarked on a programme of training the steelbandsman to do their own screen printing and welding. This is a commendable project and I hope that this project and others of that nature will continue for the steelband fraternity.

Pan in schools. That project was undertaken in 12 schools. It is still ongoing. Students not only learn to play the pan but they learn to read the music. Thirty teachers were trained in that field as well. Mr. Speaker, there would be no need to tell you how much we would like to see it continue because we all know that in order for our steelband to continue, the younger ones must come on the scene. We know that they will excel even more than those who are now here because they would have been prepared for the world of music as they are in the very early stages, learning to read music.

We also mounted exhibitions for the steelband; there was an exhibition which we named, "Coming of Age". We hosted that exhibition in San Fernando, Point Fortin, and Tobago. It was done three times in Port of Spain. I think the

exhibition might still be mounted at the Ministry of Community Development, Culture and Women's Affairs so they might still be there for those who wish to see what it is like. These programmes are all programmes that will help to enhance our culture, and I hope that they would be continued.

I will now talk a bit about an article which I read in the newspapers this morning, and which I heard before I read about it. It has to do with \$100,000 being put up for a competition. I congratulate the UNC/NAR for taking such an initiative for those traditional steelbands, however, there seems to be discontent among the steelbandsmen, the traditional steelband, the pan around the neck. Maybe the Government may wish the National Carnival Commission to look into it to see whether they can do something for those traditional steelbands. In addition, I think, bands from the South and the East would have to come to the city to compete with bands in the city for this \$100,000. Have we considered to what great sacrifice these bands will come to the city? Some of them have to look for large donations. Some of them may not even be in a state of readiness but they will want to compete and at present they are hustling some sort of funds, trying to get ready and they may well exceed this \$100,000 they would be coming to compete for in terms of expenditure.

I wish they would give some consideration to that or ask the National Carnival Commission to see if they can do something in a similar fashion for those bands in the east and south so they can have their celebrations in their areas.

2.40 a.m.

While I note with some concern the projects which are discontinued, I am very grateful that the Port of Spain East Community Complex was not stopped. I suppose many of the new Members would be acquainted with it by now. It is a facility that will be strictly for the panmen; something with which they will all be proud. It is not only for the resident band, but we also hope that other bands would take the opportunity to use that facility. It would be one that not only the people of Port of Spain East would be proud of, but also the people of Trinidad and Tobago. It is my understanding that after it is completed it would be the only one of its kind in the Caribbean and one might even go further to say in the world. If one were to look at it in its initial stages one would see that it is a steelpan and the roof will be designed like that. It would really be a unique building which was initiated by the previous administration.

I just want to mention some other issues about Laventille. I know the police post is continuing. The last administration started to pave some roads in Laventille and I am looking forward to the continuation of that. I intend to interface with the Minister concerned to ensure that the roads in Laventille are paved. Water has always been a grave concern. Even though we were told that we might have had a lot of water during the Christmas vacation, it was not like that. I did not enjoy Christmas. Every day and night I was bombarded with calls from residents that they had no water. I hope that in the very near future the Minister responsible would be able to give us some relief. In the past I was given a lot of assistance by the previous Minister. There were two Ministers while I was here. The other Minister is on the other side and I did get his support as well.

With regard to food prices, while I commend the Minister on the effort, many of my constituents have told me that they hardly use the items which were zero-rated. *[Interruption]* Member for St. Joseph do not rush me please. I will come to that. The items that should be looked at are the ones that they have to use daily such as sugar, milk, flour and rice. For some reason we do not know, those items are always being increased. People on the streets are also complaining. Maybe they are not hearing them but we are. We are bringing this to their attention. *[Interruption]* That is how it is sometimes Member for Oropouche, because you too are very short these days. We like your style these days because you have mellowed. I like you that way. Please stay that way. *[Laughter]*

I hope that some of the issues I have mentioned would be taken into consideration.

Thank you.

Mrs. Camille Robinson-Regis (*Arouca South*): Mr. Speaker I would like to make a very short intervention in this monologue that we have been continuing tonight. Clearly, the Government is attempting to allow us to elaborate on our policies which they have lifted wholesale from the PNM's manifesto. We welcome the opportunity to assist them in elaborating on the policies which they have seen in our manifesto and which they have tried to adopt.

The constituency which I represent numbers just over 26,000 persons. Many persons in that constituency are females, female heads of households and also young people. My contribution therefore will centre mainly on the areas of women's affairs, consumer affairs and the lamentable decision of this Government to remove or stop the national library project.

2.50 a.m.

Mr. Speaker, I commend the Government on being able clearly to enunciate PNM policy. They have done so and continue to do this. You may recall, I am sure, that their first piece of legislation here was a PNM Bill, which was brought without any changes, and now that they have come with their budget it is also, to some extent, enunciating the policies of the PNM administration.

I would like to outline one particular statement which was lifted almost wholesale from the PNM manifesto of the last election. I will read what the manifesto said with regard to women's affairs, specifically with regard to legislation in support of gender equity. But before I deal with that I will talk about research and gender statistics also under women's affairs:

"Measures will be taken to improve the ability of gender disaggregated statistics on women's issues. A national database will be established to ensure that all projects aimed towards the advancement of women are informed by gender specific data."

This is the PNM's Manifesto.

The Medium Term Policy Framework: 1996—1998, under "Medium Term Policy Agenda—Women's Affairs" says that the intention is to promote the principle of gender mainstreaming in all policies, plans and programmes. It says that they will establish an information system with a comprehensive gender disaggregated database. This is almost wholesale, the PNM's manifesto document. Indeed, I suspect that they could have taken the cover off our manifesto and placed it over their *Medium Term Policy Framework* and we would have had the same document to read. This manifesto and the *Medium Term Policy Framework* are almost one and the same document. It is not only in women's affairs, it is in most of the other ministries.

Earlier yesterday, I think it was the Member for Chaguanas who professed that this Government was very interested in women's affairs - a very strange statement coming from Members on that side of the House. We on this side have found that that has not always tended to be accurate, but if they are changing, we commend them on that.

The women's affairs policy objectives are very limited in their *Medium Term Policy Framework* document. They have indicated that they intend to formulate a national policy on women and gender in development, but in fact this has already

commenced in the Ministry of Community Development, Culture and Women's Affairs under the PNM Administration; they claim that they will develop a national plan of action for women; this too has already commenced. They also claim that they will integrate gender training and sensitization into all community-based programmes. I will inform them that these proposed policy objectives have already commenced in that particular Ministry. Indeed, I may be bold enough to say that if they did not have anything new to say in their Budget, then they should have remained silent. Indeed, that is what most of them have opted to do in this so-called budget debate.

We were informed by the Minister of Finance, when he was making his budget statement, that he would not go into the details of policy of the various ministries, indeed, he would leave it to his ministerial colleagues to expand on policy areas. They have failed to do this and it leaves one to wonder why. We can suggest various reasons for their not leading this debate but leaving it up to us to make the contributions in this most important of debates in the life of this Parliament. However, we will leave it up to the population to decide why their Ministers have remained silent on policy.

We would be very happy if the Government does recognize that women have an important role to play in the development of our society. We are trusting that particular interest will be paid to female heads of households. I want to place some attention on this because we have found, unfortunately, that a number of our men have failed to live up to their obligations after they have fathered children and, consequently, we have several female heads of households who have to undertake the burden of maintaining homes on their own. Many of our women have done this very commendably and they must be congratulated.

3.00 a.m.

The PNM Government attempted to assist the female head of households by ensuring that they were employed, and perhaps, moreso, by ensuring that they were employable by insisting that they trained in various fields of endeavour. This was particularly important.

I note that in the Minister of Finance's budget statement at page 10 he says:

“Government, in consultation with the social partners, will introduce a standard minimum wage for all industries at a level that does not create an obstacle to employment or interfere with the collective bargaining process.

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Special emphasis will be placed on the protection of women and children against abuse by unscrupulous employers.”

I am particularly heartened to see this statement in the budget because there have been several cases of sexual harassment by employers, where they have consistently abused their female employees, not only through sexual harassment, but also by overworking them and not allowing them the proper hours and payment for their work. But even though this statement is made in the budget, unfortunately, we have the indication that the shop hours legislation is going to be amended to extend opening hours for shops, any day, any time. This is something that must be looked at very carefully. There are unscrupulous employers who will overwork their employees and underpay them based on this amended legislation. Consequently, it will either be a situation where they work their employees—and in many instances, these employees are women—over the period of time that is legal in terms of hours of work; or that they will stagger employees’ working hours resulting in the employment of more people.

I am trusting that this will be the consequence of the extension of the shop hours legislation. If this is not so, and it is a situation where employees are overworked, there may be a concomitant decrease in our family life situation, where female heads of households who would normally be home, at least on a Sunday, would no longer have the opportunity to spend that time with their children. We must be cognizant of this. If this legislation is, in fact, enacted, it should be monitored so that this does not take place.

Indeed, in the 1940s when the change in shop hours was about to take place where there would have been extended hours on a Saturday, there was a protest by women against, what was then, Gabriel and Company, a shop owned by a local businessman. The women insisted that they should not be made to work the type of hours that they were being called upon to work. I hope the new Senator is not related to the Gabriel and Company who started that unfortunate situation with our women.

We have heard the Minister of Finance indicate that certain items would be zero-rated and that the import duties on those items would be removed. It is always commendable when a government decides to do something that it assumes will assist the population in the reduction of the price of any commodity. I join with my colleague from Laventille West who made the point that several constituents have indicated that these particular items may not make the kind of impact that I am sure the Minister of Finance and his colleagues believed it would

make. I am not going to hazard the thought that these items were merely cosmetic in order for people to say that they made some salvo into the reduction of food prices. I am trusting that was not the reason for this list of items but we ask, who was consulted when this list was prepared? Were young mothers consulted? Were nutritionists consulted? We would be grateful to get an answer to that question.

We understand, indeed, that it has been reported in the media that the hon. Prime Minister was requested by the Chamber of Commerce to re-examine, at least five of those items which were on that list of 12 items. The Chamber of Commerce's argument is that they anticipate if the import duty is removed on some five of these items, at least 1,200 people will be without jobs. The media have reported that the hon. Prime Minister has indicated that he would undertake to discuss it, if I may quote his words, or "try to persuade his Minister to study the Chamber's argument". We await the outcome of the persuasion by the hon. Prime Minister of his Minister of Finance.

We have witnessed—and the point was made by the Leader of the Opposition—that the NAR administration removed COLA, reduced salaries and failed to honour the 1988 court decision with regard to the public servants' salaries. It is interesting that Members of that administration now purport to return at this time what they took from those public servants.

3.10 a.m.

I will repeat what the Member for Tobago West said, yes they are now pursuing a proper system, they took away and now they have to return what they took. It is only poetic justice that they are the ones who have to attempt to return what they took. I understand, however that there was a protest at the WASA office today, where WASA employees are making demands for their money; they are saying that they were promised money but they have not been paid and they would like to get that money.

Mr. Speaker, I would like to make some comments on the lamentable situation with regard to the reported decision to stop the library project. I am wondering if the need for a national library has been misunderstood by the present Government. I am sure if they have been around major libraries in major cities they would understand the importance of a national library in any part of the world. A library is no longer a place where books are borrowed, indeed the library which we had envisaged would have been much more than that, and we on this side cannot take sole credit for the decision to erect a national library. Indeed,

it was the vision of librarians over 20 years that Trinidad and Tobago needed to have a national library in the capital city. Mr. Speaker, the needs of a city are not and should not be put at variance with the needs of the outlying districts of the country. A city must develop in such a way as to be seen as a city, particularly a capital city. The question that must be asked therefore is: what is the reason for removing the national library at this time?

On page 24 of the budget statement it says;

"You will agree, however, we are not here simply to keep better books. We are here to build a better country and a better society—"

One of the first things that is being done in building this better society is scrapping plans for a national library that could only lead to the betterment of the society, not only of Port of Spain but of Trinidad and Tobago. A national library is not just a library building.

Indeed, Scarborough has one of the first purpose-built libraries in Trinidad and Tobago and that library is heralded by all in Tobago and those in Trinidad who have been to that library in Scarborough; there is also a purpose-built library in Charlotteville, and that library is heralded by all those who have been to the Charlotteville library in Tobago.

Mr. Speaker, we have consistently said that we are a developing country, moving forward, and indeed if this decision is pursued it will be a retrograde step. What is the Government trying to achieve by taking this library away from the people of Trinidad and Tobago? A library is not just a place for books, it is a place where persons can get new vistas on life; where persons can achieve further educational opportunities not necessarily provided by their school system. A library is much more in terms of education, than would be provided by the day-to-day curriculum of any school, and this national library would have provided new vistas for the people of Trinidad and Tobago. The question, therefore, that must be asked is: why is it being stopped? The library, clearly, is something from which all children would have benefited. It would have been a place where common services for research, for tapping into the internet, indeed for the much vaulted and spoken about tapping into the information super highway would have been made available to the people, the ordinary man and woman on the streets of Trinidad and Tobago.

Even though it would have been located in Port of Spain, it is clear that people from all corners of Trinidad and Tobago would have accessed the services

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of that library and would have benefited tremendously from such a library. It has even been touted that that library could have been the research centre for the association of Caribbean States Headquarters because that was the kind of breadth and the indepth use to which a library of that nature could have been put.

We cannot condone the removal of tools from our children and our people which can make them globally competitive and I am certain that such a library would have made our people even moreso, globally competitive in today's fast moving and fast track world. Mr. Speaker, several librarians and architects have worked long and hard on this project and I am asking this Government to rethink that particular decision—if it is a decision that is already made, and to re-examine the need for a national library

3.20 a.m.

Even as I say that, I recognize that there is a thread going through this particular budget as it relates to issues concerning some of our young persons and their need for further education, their interaction with literacy and consequently, their interaction with libraries and books. On page 169 of the Government's draft estimates we see details of recurrent expenditure under the heading "Ministry of Education, book grant to necessitous students attending public schools". The book grant from 1995 has been decreased by approximately 60 per cent.

This is a Government that has said that it cares about the poor and downtrodden, yet, when it comes to the education of the so-called poor and downtrodden, it has reduced the book grant to necessitous students attending public schools by approximately 60 per cent. This is something that needs to be looked at very carefully and I am suggesting that the Minister should re-examine this position to see if he can work it out with his colleagues to get the necessary funding to ensure that this book grant continues.

Mr. Speaker, we are trusting that at some point in time, the Members of the Government will determine what their policy is and will be able to then discourse with us on policy matters. Until that time comes, we would be happy to continue with this monologue while they listen very attentively because, clearly, they are still totally dependent on the PNM to guide them where they have to go.

Thank you, Mr. Speaker.

Mr. Gordon Draper (*Port of Spain North/St. Ann's West*): Mr. Speaker, I rise on this Tuesday morning, engulfed as we all are, in the deafening silence of the Benches opposite clearly bearing eloquent testimony to the absence of vision, plans, ideas and actions for running this country. My remit at this time is to treat

with the issue of public administration, the way it has been treated in the national budget and its impact more generally, on national development. Before I get into some of the issues central to public administration, I need to point to some disturbing signs which emerge partly on page 1 of the national budget, but then, are repeated in different forms in other places in our national community.

The Minister of Finance on page 1 of the national budget tells us as follows and I quote:

“There are occupants in high and powerful offices whose only ambition is to frustrate and destroy the new government so that they may return to the old days of corruption, waste and mismanagement—happily they are in the minority.”

He does say, "happily they are in the minority", but I wonder, Mr. Speaker, whether the Minister of Finance is referring here to some of our hard-working, committed, professional public servants. And it bothers me because as we observed the actions which took place recently at the Ministry of Education, it does raise fears in our minds, about the intent of this Government. But more than that, both the Minister of Finance, and indeed, the hon. Prime Minister, have raised concerns about the size of the public purse that goes into paying public servants their emoluments. There are fears about what this may mean to the livelihood and continuing occupation of many in the public service. Clearly, this start must cause us to begin planting red flags along the shoreline of our public service.

Let us now deal more centrally with some of the indications in the budget about public administration and reform. On page 3 of the budget, the Minister of Finance says to us that the Government recognizes, among other things, that this can only be achieved through acceleration of reforms in public sector management. One of the questions that we must ask and I would seek to answer, since they have none of the answers, is: what are these reforms that must be accelerated? On page 14 of the budget statement, we also see the Minister of Finance speaking to us about the importance of the removal of constraints to Government, and hence their importance in expediting administrative decentralization to public health services, as well as to the Ministry of Education. In other words, there is a concern with accelerating reforms, and one of these reforms we are told, is the issue of decentralization.

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Let us now return more centrally to the question of what reforms this Government will accelerate. To speak about reforms and change, one needs to have a vision. In fact, it is passing strange that on page 1 of this budget statement, the word "change" appears eight times, but, nowhere through this document is there a clear articulation of a vision around which the management of this change can take place. In other words, they speak of change, but they speak of it in a vacuum. We cannot talk about changing an organization or a society without articulating a vision for the people in that society, and therefore, to talk about accelerating public sector management and reforms must cause us to ask: What is this vision for the public sector?

[Mr. Deputy Speaker in the Chair]

Mr. G. Draper: We will give our vision, because the notion of accelerating is a notion which recognizes that there is a process and programme in place which can be accelerated. The PNM Government had, in fact, articulated in 1991 a vision for the public service. A vision for a public service which, in our view, ought to see us develop a service that is client-centred, in other words, a clear recognition of the importance of identifying client and consumer needs and working towards providing the goods and services to satisfy those needs.

3.30 a.m.

We spoke in our vision about developing within our public service a high speed processing capacity, a recognition of the importance of information technology to satisfy those very clients to whom we alluded.

We spoke in our vision about the importance of a public service that was cost sensitive, a recognition, on the one hand, that we could embark on programmes which would reduce the cost of doing business in the public service and, on the other hand, that we could embark on other programmes which will see us develop mechanisms to increase the revenue from services generated from within the public service.

We spoke, too, about the introduction in our public service of modern and contemporary management systems. We spoke about the importance of training and development as we moved in those directions. In other words, we articulated a vision. We painted a picture of the kind of public service to which we would aspire and against which one would be able, ultimately, to measure success of the reforms and within which very clearly developed and articulated reform programmes and agendas could have been administered in our public service. We

are not sure what the vision of this Government is, but given the fact that from what we have seen, their vision is really ours borrowed—although at times they do not understand it—but we will, for now accept that this is a vision of a public service to which we aspire.

To achieve this, we embarked on a range of programmes and approaches. We embarked, on the one hand, on approaches which we defined as system wide reforms. In other words, a recognition that there were systems operating in our public service which cut across every single ministry and department and which needed to be reformed. But, we also recognized that there were very peculiar and unique features in ministries and departments, which would need to take on a reform light of their own.

If one looks back over the last four years one would find that we assiduously embarked on programmes to treat both with across-the-board systems as well as reforms within individual ministries and departments.

One of the broad areas of reform that we developed and embarked on is the important area, which was articulated here in the budget, of decentralization; a recognition that we needed in so many parts of our public service to move decision-making down into ministries and from ministries down into regions to facilitate the speed of decision-making, to ensure as well that we give the managers of our public service, not only responsibility but the authority to manage, recognizing too that a necessary element in this programme of decentralization would have been providing these managers with the tools, the training and the systems themselves which will make decentralization possible.

One trusts that when this Government speaks about decentralization, as they do in this document, they understand the whole range of activities which must accompany this activity for it to make sense, but I will return to that later.

The PNM Government also embarked on a range of reforms to treat with what we can call the human resource management system in the public service which included itself, some decentralization, recognizing the need to move out of over-centralized offices and allow ministries to take on more responsibility in this area and hence we developed with line ministries the concept of a human resource management unit; a concept which I see articulated in some of these budget documents as concepts which this Government will continue to pursue.

Part of that necessitated, in our view, the decentralization of the Personnel Department. It also necessitated, in our view, the decentralization of the

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Organization and Management Division. I raise this one particularly because one of the elements of decentralization of streamlining or, to use a word in the Medium Term Policy Framework, of re-engineering in fact is to speak about flattening systems about decentralization and therefore one needed to identify those bureaucratic bottlenecks which bogged down our public service system and seek to decentralize and move them out to line ministries.

The human resource management system also included introducing new performance appraisal systems, and I will return to that later.

It included the introduction of a new classification system based on a new job evaluation approach in the public service, and I will also return to that later.

It included the introduction of computerized human resource information systems to facilitate the identification of skills within the public service. The daily newspaper of today speaks of concerns about shortages, but one of the real issues is the fact that very often we cannot identify the skills that we have in our public service and hence the importance that we placed on an information system to treat with this issue, but again I will return to that issue.

In addition to these human resource systems, our reforms also embraced management information systems, more generally, computerization. It embraced the development of what we term "strategic planning culture". It embraced also a recognition that one of the elements which impacts on productivity is the physical environment within which public officers operate, and that is one of the reasons, in our view, the erection of administrative centres in a number of selected areas in Trinidad and Tobago was such an important part of public service reform.

On the one hand, as my colleague, the Member for Arima mentioned, it will provide a more customer friendly approach to delivering services, a one stop approach, if you will. On the other hand, it will provide a better working environment within which public officers can operate. But, alas, this administration fails to understand the import of the physical environment for enhancing productivity in our public service.

Our reform agenda also included financial reforms—reforms of the budgetary system, reforms of the accounting system. With this as an outline, I want to compare, very briefly, the Medium Term Planning Framework presented as part of these budget documents on page 40 which outlines the elements of public service reform as envisioned by this administration and I want to compare it with

the last *Medium Term Planning Framework* put out by the PNM administration which also had a section which dealt with public service reform.

The current version talks about embarking on a programme of continuous improvement for re-engineering in the public service. It seeks to encapsulate many things in one relatively vague paragraph by saying that they will strengthen the human resource management capacity and simultaneously focus on improving human resource planning development and administrative systems.

Mr. Bereaux: Mr. Deputy Speaker, we have been here for some time now and the Government does not appear to want to continue this debate. In accordance with Standing Order 39 (1) I move that the question be now put.

Mr. Maharaj: Mr. Deputy Speaker, this is a rather improper motion. It is an abuse of this House. *[Interruption]* Are you the Deputy Speaker? He has made a submission. The hon. Member cannot say that the Government does not intend to continue this debate.

Mr. Valley: Mr. Deputy Speaker, it seems clear under Standing Order 39 (1) that any Member can stand and ask that the question be put and unless it appears to be an infringement of the minority. I think we are the minority here, and I do not think it is an abuse of the rules. We have been here and since 9.00 o'clock last night the Government indicated that it was not interested in putting in any more speakers so that, obviously, by this time it should be prepared to have this question put and for it to be put forthwith.

Mr. Deputy Speaker: Hon. Member, I have looked at the Standing Order, I have considered it and I ask that the debate continue.

Mr. Valley: Mr. Deputy Speaker, it says here that the question be put.

Mr. Manning: Suspend the sitting for five minutes and consider it.

3.40 a.m.

Mr. Deputy Speaker: Hon. Member, I have considered the Standing Order that you have proposed. It does not appear to be in agreement with the Government, so I would like to ask that the debate continue, please.

Mr. Valley: Mr. Deputy Speaker, with all due respect, would you allow me to make a submission?

Miss Nicholson: Tell him no.

Mr. Deputy Speaker: I object to this Member challenging the Chair.

Mr. Valley: I am not challenging the Chair, Mr. Deputy Speaker.

Mr. Maharaj: I will move a Motion for contempt against you, you know.

Mr. Deputy Speaker: Hon. Member for Port of Spain North, would you continue please?

Mr. Valley: Mr. Deputy Speaker, would you please—

Mr. Deputy Speaker: No, I have considered it and it is not so. Would you like to continue.

Mr. Valley: Since 9 o'clock you all don't want to talk, now you 'fraid?
[*Interruption*]

Mr. Deputy Speaker: Hon. Members, please, we have been trying for the last six weeks to keep the decorum in the House. Can we continue as we have been proceeding so far, hon. Member? [*Desk thumping*]

Mr. G. Draper: Mr. Deputy Speaker, I was about to make a comparison between page 14 of the current *Medium Term Policy Framework*, one of the budget documents, and page 47 of the last *Medium Term Policy Framework* document presented by the PNM Government. I was about to make the point that, as I looked at the way in which one of these important areas of reform is reduced, that like the rest of the budget, we are really dealing with a mirage. You see, when I look at page 47 of our document last year, we see very clearly spelt out a number of areas under that rubric of 'Human Resource Management'. It very clearly, for instance, Mr. Deputy Speaker, articulates the importance both of continuing the "Establishment of a Centralised Human Resource Management" as well as the development.

[*Mr. Speaker in the Chair*]

I rather suspect, Mr. Speaker, I should welcome you back to the Chamber.

Mr. Speaker, I was at the point of making a comparison between some statements in the last *Medium Term Policy Framework* and this year's *Medium Term Policy Framework*. I was making the point that when we look at the last *Medium Term Policy Framework*, we see a detail of a range of human resource management reforms, and I will read them. We see the importance of developing "a human resource management unit in each ministry"—a programme that I note this Government is intending to pursue; we see implementation of a "new performance appraisal system", introduction of "compensation management systems", "management training initiatives"; guidelines for "career and

succession planning”; guidelines for “education and training needs”; proposals to implement an “employee assistance programme in the wider public service”.

The point I am making, Mr. Speaker, is that when I look at what is presented in this *Medium Term Policy Framework*, the Government has attempted to pull this thing together in such a manner that we will not be able to clearly identify what are the activities that the budget claims the Government wants to accelerate. What are these specific activities which will form part of the human resource management component for public service reform? I am saying, Mr. Speaker, that if Government is serious about accelerating these reforms in documents, they need to be spelt out with the same clarity with which we did in the last *Medium Term Policy Framework*.

There are some other elements of this that I would wish to return to as I go through with my submissions this morning, Mr. Speaker. But I want to turn to one of the other vexed issues relating to the public service at this point. It hinges on issues relating to the cash settlement, but it also hinges on the concerns of the Minister of Finance, and of the Prime Minister, about the size of the public service wage bill. Once that issue of the public service wage bill is just put out there as a concern, with no attempt to understand or analyze, then it leaves me uneasy. It leaves me asking, is the Government intending in 1996 to introduce a VSEP programme, for instance? Is the Government intending to retrench? Is the Government intending to reduce wages somewhere in 1996?

Hon. Member: Cut COLA?

Mr. G. Draper: Is the Government intending to contract out services from the public service; privatize or divest these services out of the public service? What is the programme? But, there are some other things lurking beneath this simple statement about the size of that wage bill. Because it also relates to another concern that is emerging in the media; the concern about shortages. The interesting dilemma in our public service is that, while on the one hand there is a wage bill, which many will consider to be not in the best interest of our national community, on the other hand, there is the reality that at the topmost levels in our public service, there are uncompetitive salaries. Therefore, one of the issues we need to address, as we seek to accelerate public service reform is, what are we going to do, not only about the size of that bill, but about uncompetitive salaries? This will suggest that there really is need to increase the wage bill for a certain category of work in the public service. Because many of the shortages of which

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we complain now are shortages because, given our current wage structure, we are unable to attract into our public service people of the requisite skill and professionalism. So there are problems of attraction; problems of retention; and problems of motivation. How do you deal with that?

Mr. Manning: Where is Wade Mark?

Mr. G. Draper: He is getting Lesson No. 2. He has decided to take it behind the Speaker's chair.

Mr. Speaker, one of the plans which the PNM Government embarked on was a system which would have introduced into the public service a new job evaluation methodology.

3.50 a.m.

The last time the public service had a serious review of the classification system was some 30 or so years ago. The importance of this job evaluation activity is that it would provide, at one and the same time, an opportunity for the public service to take a hard look at the design of the jobs in the public service, and to re-write job descriptions and job specifications, to provide a basis for determining what the new compensation system must be.

I will not give all of these details. I am sure that the hon. Ministers would be able to find some of this information in other places. My concern now, though, is what is the Government's position on the continuation of this job evaluation exercise? Because I will contend that the completion of that exercise is one critical component of treating with a number of these other issues which are emerging; about shortages; about whether we have skilled people in the right places, etc. Unless we complete, in an objective and scientific way, an analysis of the jobs in our public service and then seek to classify them appropriately, and then seek to compare them with similar jobs in the society, we will not be able to put our hands around one of the core problems facing the public service.

I say therefore, that it is insufficient for the Government merely to talk about accelerating reforms without articulating whether these are some of the reforms that they would choose to accelerate. Because we also have to recognize that the problems and the issues which they are identifying as bedevilling our public

service could really only be solved if they are prepared to pursue those kinds of reforms started by the PNM Government.

Of course, there are some other issues. While the Minister of Finance glibly said to us that he was providing \$90 million in cash as part settlement of public service arrears, there are some other issues here. The PNM Government articulated as well the reinstatement of increments for public servants in 1996, but we said very clearly that the reintroduction would be done on the basis of a new performance appraisal system. In other words, the issue of the wage bill and the wage levels in the public service is not only one in those kinds of absolute terms and numbers, it also has to do with whether people are being paid for performance and productivity. An increment system provides us with one compelling approach which would allow us to link merit and performance with pay.

We started the work during 1995. As the Minister of Finance himself alluded, many of these changes take time. We recognized that as we came to 1996 there would be some departments which would not have completed all of the work, but we need to be steadfast in our commitment that if we reintroduce increments, it has to be linked to an objective and a standard-based performance appraisal system. It cannot be a runaway, automatic kind of increment which will only serve to keep spiralling our wage bill with absolutely no link with productivity and merit in our public service.

Therefore, one of the things that this Government must say to us is whether, as part of the acceleration of public service reform, they too, are committed to an objective and standard-based performance appraisal system against which increments could then be paid. They must say that to us and that is not present in any of these documents.

Hon. Member: Why did you not—

Mr. G. Draper: Mr. Speaker, I now recognize I have a second student in the class. Through you, what was happening in his own ministry where the teaching service is in fact well ahead of all of the other services in the public service, was essentially developing a job description, which is the first stage of the job evaluation exercise. I will continue with the lessons later on.

The issue of the \$90 million payment to settle arrears raises some other questions. Is that \$90 million going to be paid only to members of the PSA? Is that \$90 million going to be spread among retirees from the public service? Is the

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\$90 million going to be made available to other associations whose leadership may have signed with the Government before? What will be the split? Of course, not to mention the fact that the persons who accessed the bond payments which the PNM Government instituted, got bond tranches of some \$5,000 and on the basis of discounts in the bank, were able to go home with cash of about \$4,000—non taxable, with bonds that are transferable with tax credits.

How is a \$90 million in cash comparing with that, which clearly must be taxable? To then try to hide behind the CPO and say that the CPO will negotiate, is really an act of gross irresponsibility by those who must set policy directions for public servants in Trinidad and Tobago. Clearly we need policy directions coming from the Ministers.

One of the things that this Government sought to move away from was the ministerial committee system which provided policy advice to the Cabinet and from there to the CPO. So there were systems in place to provide that policy direction and that is how we operated and that is the system that this Government has now sought to remove.

They need to understand how different parts of the system lock together. When they talk about accelerating reforms, they need to understand how all of these different pieces hold together. To believe that merely by throwing a \$90 million cheque on the table will resolve some issues, they need to understand what are some of the other issues behind it.

I want to move from here to talk about some other issues. I want to talk, for instance, about some of the general directions which need to be taken account of when we talk—as in fact the budget speech does talk—about decentralization. What is needed if we are to truly achieve the decentralization and delegation which is articulated in this budget speech? There is need for a number of components. There is need within the ministry or department to which these functions will be delegated, for a structure, hence our move to establish human resource management units, for instance, in ministries. There is need for management capability, hence the importance we placed on management training as part of our overall reform. There is need for appropriate regulations, hence our revising the laws and regulations which govern the public service. There is need for measurement systems and controls.

All of those things are critical elements to ensure the success of decentralization policy and programmes, which is why I went back to our

medium term planning framework of last year, because that is precisely why we laid out the varying programmes and systems in the detail which we did, because we understood that we cannot glibly talk about decentralization without understanding all of the other elements which must go with it. Those other elements are critical for the success of any decentralization programme.

4.00 a.m.

One needs, therefore to ask: What policy and direction would this Government take as it seeks to continue pursuing that policy and direction of decentralization?

Mr. Speaker, in passing, as I go through a combination of the medium term framework and the estimates laid on the table as part of the budget documents, I am heartened by the fact that provision has been made for the human resource management unit and managers in a number of units, including the Ministry of Local Government; the Ministry of Works and Transport; the Ministry of Housing and Settlements; the Ministry of Agriculture, Land and Marine Resources; the Ministry of Sport and Youth Affairs; the Ministry of Education and I wish to say that kind of activity is critical if decentralization, certainly, in the human resource management area is, in fact, to proceed.

I want to turn now to some of the reforms in individual ministries, because if one is to talk about accelerating reforms, not only does one need to talk about them in the context of the broad systems, but also in the context of individual ministries.

I start with the Education Task Force report. My Friend and colleague, the Member for Laventille East/Morvant already alluded to the fact that when we look at this Education Task Force report which points the way to education reform in this country over the next 10 years, it talks not only of curriculum and curriculum design, but it talks very centrally about the issue of management.

Among the recommendations in this report is one to transform the Teaching Service Commission to an educational service commission and a recognition that one of the things we would wish to do as we transform that commission is to place all persons who work in the education system within one service commission.

The rationale is that we recognize that at this time there are persons who work in the Ministry of Education who fall under the Public Service Commission and

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there are persons who fall under the Teaching Service Commission; and there are promotional opportunities from one to the other. I understand the Minister is very aware of some of the approaches taken to promote people. But, there are promotional opportunities which move people out from one service commission to the other. The argument, therefore, is that it would make life administratively simpler if we were to develop one commission with all persons working in the education services falling under that commission.

It goes further, because it also talks about delegation from that commission which would allow managers in the education system to operate under delegated authority from the newly created educational service commission. My question is: What is this Government's policy on that? We need to understand that kind of management reform is critical for the reform and performance of our education system. We cannot only talk about curriculum designs, important and critical though that is, unless we also talk about the design of a management system within the Ministry of Education.

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

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

Question put and agreed to.

Mr. G. Draper: Thank you, Mr. Speaker.

These are all elements that form a package of reforms.

There is a notion, for instance, about master teachers which was being developed within the Ministry of Education. A recognition that one may want to develop a promotional programme in the teaching stream which would keep our good teachers teaching, and not move them into an administrative stream where we lose good teachers and gain bad administrators. My question to the Minister of Education is: Where are we as far as these elements of administrative and public service reform are concerned?

Mr. Speaker, I also note that in the *Medium Term Policy Framework* on page 44, the Ministry of Labour intends to implement the Ernst & Young Report. Let us see some of the things that the Ernst & Young Report is talking about here. It talks, for instance, about an observation and then makes some recommendations that—the percentage of administrative support staff appears to be inordinately high; 43 per cent of total staff is made up of administrative support such as clerks,

clerk/stenographers, clerk/typists, messengers, drivers, cleaners and maids. There is a recommendation to flatten that structure.

Therefore, all I ask is, having seen the *Medium Term Policy Framework* which says they are implementing these recommendations, are they moving in the direction of flattening the structure in the Ministry of Labour? It is stated as Government's policy and I have the report; are they really implementing what is stated in this report, or is it like so much else in the budget, games and funny issues?

I note that the hon. Minister of National Security has been with us for the day, but we have not had the benefit of his contribution to this debate. But, I would also note that as we think of issues relating to crime, this Government has always argued that in treating with that issue, we need to treat with it across a number of fronts. We need to treat with it not only in terms of resources, training, vehicles and so forth, we also need to treat with it with regard to the management of the police service.

The O'Dowd Report is replete with statements which point to difficulties with regard to the management of the police service. It says for instance that:

“the management style of the Trinidad and Tobago Police Service could best be described as autocratic, bureaucratic and over-centralized. We found that far too many routine matters are currently referred to headquarters, many of which could be dealt with by line management.”

It talks, for instance, about the importance of strategic planning in the police service. It talks also about difficulties as they saw it with succession in the first division of the police service. All I now ask is where, in the context of the reforms and fight against crime which this Government is outlining for us, do they locate reforms in the police service? [*Interruption*]

4.10 a.m.

Do you want me to re-read the statement that you made about the length of time change takes? You never really managed a change project in your life so you would not really understand that. When we look at the police service— [*Interruption*] Volume does not mean that there is quality behind what you say.

Mr. Speaker: Hon. Members, we do appreciate that it is 4.10 a.m. Let us still allow the comments to come through the Speaker, please.

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Mr. G. Draper: Mr. Speaker, as we sought to treat with some of these issues, civilian managers, the process of moving civilians into the police service—which was one of the changes recommended—there was another interesting feature that emerged. It had to do with the fact that as we put civilian managers into the police service, the authority to manage the functions that they were hired to manage were frustrated. I ask, where, in the midst of reform, would this Government treat with that issue?

I want to also make the point that one of the recommendations which the PNM government made was for the introduction of an employee assistance programme in the police service. In fact, following on the very successful introduction of the employee assistance programme in the Ministry of Education, it is our view that that programme needs to be extended, not only in the protective services, but indeed, across the entire public service. Is that one of the package of reforms that will be accelerated?

I turn to the post office. The *Medium Term Planning Framework* on page 39 states, for instance, and I quote:

“Establish a new organizational structure”

for the post office to improve efficiency.

“Introduce legislation to establish the Post Office as a Statutory Corporation.”

Mr. Speaker, in February last year Cabinet received a copy of a report from a committee that was set up to look into the operations of the Post Office. Here are some of the comments which that committee made about the Post Office: That there was an extremely low level of productivity; that there was overstaffing for the level of service it provides; that there was unreliable and poor quality of service; that there was a fall in demand for traditional postal services; that there was a lack of skilled managers, a lack of autonomy; that there were antagonistic and adversarial relations. My only question, as I look at issues relating to staffing—for instance—and this Government’s document talks about establishing a new structure—do I understand by that to mean that part of it will be the implementation of the recommendations which flowed from this report which spoke volumes about overstaffing in the Post Office? Just a question that I need to get answered.

Mr. Speaker, when we come and talk about accelerating reforms, we can speak about our public service reform agenda and programme which had been in

place and had been working. What I need to understand is what is this Government's understanding of accelerating that. They used words—and I come back to some of the interesting words that are used in this document. This *Medium-Term Planning Framework* talks about “embarking on a programme of continuous improvement for re-engineering the public service”. Re-engineering is one of the catchwords used in management these days.

What does re-engineering really mean? If one looks at any report of a consultant who has done a study of any serious text on re-engineering, it talks about some interesting issues. It talks about looking at process, at how work flows; it talks about streamlining and removing bureaucracy; it talks about flattening; it talks about identifying those elements of work which do not add value and moving them out of that system, which may mean moving out of the system. the people who do not add value.

When the Government talks about re-engineering I need to understand whether that re-engineering is used in the way in which re-engineering is now used in management technology. However, again, it is a sleight-of-hand. What all of this would say to me is that as I return, in a sense, to a place where I began—the concern with the size of the wage bill—is it therefore, that re-engineering will mean for this Government removal of persons from the public service? The direction, the words, the language seem to suggest that to me. Reforms could mean other things.

I have argued over the last few minutes that reform to us, at times, did mean some movement of people. The PNM Government did have VSEP, but we were clear up front in talking through with unions that direction and that intention. It was also done after a clear study and analysis of systems. The Minister of Finance himself was involved in one such programme which led to persons moving out of the IDC for the formation of TIDCO. He understands that very well. He understands our approach to doing things. All I need to understand is this Government's approach to doing things where the public service is concerned.

Mr. Speaker, while the statements in the budget speech about the reforms and about public administration may seem to be few, and spread out among a number of pages, it is critical. We need to understand that if we are to improve collections in the Inland Revenue Department, if the customs is to improve their collections, if the police service is to work more efficiently and effectively, then we are talking fundamentally about public service reform and administrative reform. It is not a matter to be taken lightly. It is not a matter to be trifled with. It can

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determine whether or not this country truly goes forward or becomes mired in inefficiency and ineffectiveness and, indeed, begins to go backward. Which is why clarity of vision is so important and which is why, flowing from that clarity of vision, must be a clear delineation of the programmes and activities, not couched in vague terminology but very clearly spelt out so that we, the national community, the unions and associations can understand.

Since the promises of the Minister of Finance for clarification and for policies from some of his colleague ministers have not been forthcoming, I may assume that they have not yet understood the implications of some of these matters that have been written in the budget. The policies, programmes and actions with which they have not come forward, perhaps, Mr. Speaker, are synonymous with the rest of the budget, cockset reforms from a budget that promises cockset money.

Mr. Colm Imbert (*Diego Martin East*): Mr. Speaker, we are here at this ridiculous hour in this honourable House for two reasons. Firstly, because the other side has recognized somewhat belatedly, the fundamental flaws and weaknesses in the budget presentation and wish to conceal this from the media, and by extension, the national community. Secondly, because, the Member for Couva South has ignored the basic principles of courtesy, decency, honesty, honour, integrity and morality.

If one looks in the dictionary one sees a common thread running through the definition of all these terms. [*Interruption*] I am not being sarcastic. I mean what I say. Essentially, the Member for Couva South displays an inability to understand the difference between right and wrong.

4.20 a.m.

Let me clarify what I have said for the benefit of the Member for St. Joseph. I will come to him shortly. I have indicated that the Member has ignored the basic principles of integrity and morality. I have not indicated that he has no integrity.

During his presentation, the Member for St. Joseph, was at pains to defend the random numbers of the Minister of Finance. I understand why the Member for St. Joseph is always quick on his feet to defend the foolishness of his colleagues. If one looks at the *Trinidad Guardian* dated Tuesday, January 16, 1996, one would see the Member for St. Joseph in a hot embrace with the Member for Couva North. I understand his problem.

Mr. Assam: You cannot embrace your leader.

Mr. C. Imbert: No! No! I am sorry I have not yet reached that level of intimacy with my political leader.

The Member for St. Joseph attempted to defend the bogus revenue estimates in the *mamaguy* budget of the Minister of Finance. I took some notes. He claimed that increased compliance will result from the reduced tax rates, hence the increased revenue estimates. Am I correct Member for St. Joseph?

It is clear that the Member for St. Joseph either does not understand the budget documents or has not even bothered to read them. When one looks at the history and pattern for the last two years, one sees that with reduced personal income tax rates, there was no increase whatsoever in revenue collections. I would quote the figures for the Member for St. Joseph since he does not appear to be aware.

The collection of personal income taxes for 1994 was \$1.430 billion. In 1995, with a reduction of the top marginal rate to 38 per cent and other reductions in other marginal rates the collection of personal income tax, which I am sure would be a great surprise to my learned Friend, was \$1.430 billion. In other words, there was no change. However, my erstwhile colleague the Minister of Finance has estimated, as my political leader indicated, an additional \$362 million in collection of personal income taxes in 1996. He has increased the revenue estimates for personal income tax from \$1.43 billion to \$1.79 billion, an increase of 25 per cent.

Let us look at the VAT collections. In 1994, one sees that the total collection of VAT was \$1,259 million or \$1.259 billion. For the benefit of my hon. Friend for St. Joseph, in 1995, VAT revenues declined to \$1,249 million. VAT peaked in 1994 and decreased in 1995. My esteemed and erstwhile colleague, the Minister of Finance estimated VAT to be \$1.768 billion in 1996, or an additional \$519 million, an increase of 42 per cent. This is after lowering VAT on certain food items. [*Interruption*] That is no rate. When it goes from 15 to zero that is lowering. That is not increasing. What is to account for this? I would like to know what kind of magic is this.

Let us look at the national lottery. In 1994, it was \$70 million; in 1995, \$187 million, but my esteemed financial guru on the other side estimates an increase of 86 per cent in national lottery collections in 1996, from \$187 million to \$347.9 million. Those three items alone show an imaginary increase in 1996 of \$1,042

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million in fun money. It is bogus, farcical, fanciful, fraudulent random numbers. It is no wonder that the Minister of Finance is reluctant to give details of his figures.

I saw a report in a newspaper where he said the IMF has looked at the gross figures and said they are all right. He has not indicated how he would raise this extra revenue. He cannot because he has simply pulled the numbers out of a hat. In his speech, another statement repeated by the Member for Couva North, who does not know what is going on, the Minister of Finance expressed surprise that salaries, wages and debt repayments accounted for two-thirds of the expenditure.

This is an hon. gentleman who sat on a Cabinet for two years and participated in three budget preparations, and now he tells us that he is surprised that these items make up two-thirds of the expenditure. It is the same way he pretended not to be a member of the party while wearing a balisier tie in the other place for over two years. That is why he has hoodwinked his colleagues on the other side. That is why they do not understand the sleight-of-hand that my colleague has pulled on them. Even with those noises about the need to curtail personnel expenditure, when one actually examines the numbers, he is a good *ratchifée* man. It is all right. I will give him that.

The hon. Minister of Finance is quoted in the newspaper as saying that not one single job will be created in the public sector under his stewardship. He is pulling out his chopper. When one goes into the figures, one sees another sleight-of-hand, an increase in personnel expenditure in 1996 of \$140.5 million. This is the Minister of Finance. On one hand he is all over the place saying that he is going to wield his chopper and not a single new job, but he surreptitiously adds over \$100 million in personnel expenditure in the public sector in 1996. Talk about speaking on both sides of one's mouth. The Members on the other side will understand the true talents of my erstwhile colleague in the coming months.

The result of this work of fiction, as my esteemed Leader has indicated, will be cutbacks in government expenditure as the revenue collections will not meet the forecasted figures. Some time in June 1996, there will be complete abandonment of the already truncated and sabotaged development programme. What does this mean for the poor man? It means that the budget is simply a *mamaguy*. When the exchange rate begins to slide; food prices start to rise and retrenchment begins, the small man will understand the caring of the Members on the other side.

It is not just the small man that has been betrayed by this Government. The small man has been given a few crumbs and in the words of the Member for Couva North, while he has given a few crumbs with one hand, a loaf is taken away with the other hand.

4.30 a.m.

It is not just the small man who will be damaged by this *mamaguy* budget, all sectors of the society will be. The middle income wage earner will be affected as they trumpeted in their budget presentation, the reduction in marginal tax rates, and very quietly spoke about removal of deductions and incentives such as the Unit Trust, the credit union to come, reduction in mortgage interest rate, removal of tax-free savings bonds and so forth. If one does a simple calculation for the typical taxpayer who takes advantage, up to his ability, of these deductions, Unit Trust, mortgage interest and so forth, one sees that when one crosses about \$3,000 per month in income, the net effect of this caring Government's tax measures is an increase in tax liability. That is what my esteemed colleague has done—pretended to reduce people's tax liability, but by removing all the shelters, incentives, and deductions, he has, in fact, increased the tax liability of the vast majority of taxpayers in this country. As one goes higher up the scale, it gets worse.

This is a very even handed budget. It damages the poor man, the middle income earner and the upper income earner. It is hitting all of them very equitably. But it matters not how long they try to deceive the population, the honeymoon will soon come to an end as wage earners and taxpayers get their first salary payment for 1996 and discover that they are paying more tax rather than less—a true *mamaguy*, but not for long. Simply put, the fiscal measures make no sense.

There is all this talk about levelling the playing field. For whom is the playing field being levelled? Certainly not for the small man. When one attacks the Unit Trust to level the playing field, for whom is one levelling it? The poor man? I do not think so. When one attacks the credit union to level the playing field, for whom is one levelling it? The small man? I do not think so. So, there is a hidden agenda in all of this. As the Minister of Finance came with his tale of deception, clearly vested interest was operating and this is no more evident that the measure announced on page 19 of his budget speech referring to a new regime for the legitimizing of the used car assembly industry.

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Listen to the hon. Minister of Finance. He was talking about there continuing to be mountains of pressure to open this country to the importation of used motorcars:

"Our fear is that to accede to these pressures would serve only to make this country a dumping ground for used motor cars from the rest of the world."

A very laudable intention, but what does the hon. Member do? He legitimizes the registration of the assembly of motorcars from used parts. What is the sense? Where is the intelligence in prohibiting the importation of fully assembled used cars because he allegedly is concerned about not making this country a dumping ground for used goods? Instead, he effectively allows the same vehicle to be imported in parts and reassembled in Trinidad and Tobago. What is worse, the used parts or the used cars assembled from the used parts? Clearly, it is a nonsense. Clearly, the myth about not wanting Trinidad and Tobago to be a dumping ground for used vehicles makes no sense when one examines the effect of the measure.

The hon. Minister of National Security, my hon. Friend, a decent man, was not party to this decision. What the Minister of Finance has done is put a legal face on the car stealing racket in Trinidad and Tobago. With this new short-sighted policy, all the fancy cars now driven by Members on the other side—all the Mercedes and the BMWs that we see; I think that the Mercedes per capita on that side must be highest in any Parliament in the world—can now be stolen, stripped, reassembled with other stolen parts, presented to the Licensing Office as locally-assembled cars with no questions asked about where the cars came from, and accepted for registration because there is no evidence about the origin of the parts.

When used parts are imported, there is no unique identification and system. When one brings 20 doors into a country, there is no stamp to say that I brought in door No. XYZ100. No! What we have is the Minister pandering to the close associates of the Member for Couva South *[Interruption]* Yes, your close associates, the persons you defend in court regularly, the car thieves. What has happened is that the Minister of Finance is pandering to the car thieves of Trinidad and Tobago. He has come up with a foolproof alibi system for car stealing. Steal cars, strip them, put them back together and say that they are used parts which were imported. No doubt, another payoff for campaign contribution.

As I look through the presentation of the Minister of Finance, naked vested interest continues to come through. The entire budget is focused on encouraging consumerism. What could possibly be the reason for reducing the cost of Johnny Walker Black, or is it Swing? I understand that he has graduated to Blue. Excuse me! What could possibly be the rationale for reducing the cost of Johnny Walker Black while at the same time allowing supermarkets to sell alcohol any time, any day, any place, anyhow? Is this pandering again to vested interests?

4.40 a.m.

What is going on with this budget? If one examines the budget, what is the fundamental philosophy behind it? Where are the incentives to savings? Where are the areas to facilitate and promote growth and development? All the incentives towards savings have been removed, Mr. Speaker. The Unit Trust has gone. The credit unions are about to go. Tax Free Saving Bonds are in the rubbish bin. Exemption on TTMF issues gone! Dividend income allowance gone. Mortgage interest down. Mr. Speaker, I ask, having removed all these incentives, how does the Minister of Finance intend to promote growth and development and to achieve his imaginary 4.5 per cent growth in 1996?

Mr. Assam: It has been reduced from 24—20.

Mr. C. Imbert: I notice Mr. Speaker, the Member for St. Joseph has gotten very vocal. Is it artificial respiration? *[Interruption]*

If one does a simple calculation—it is clear to me that the Member for St. Joseph is not good at mathematics, I will do it slowly so that he would understand it—the present GDP at market rate is about TT \$30 billion. If one takes the Minister of Finance's projected growth of 4.5 per cent in 1996, one gets an increase of approximately \$1.3 billion? This is in total GDP you know, but the Minister's increased revenue forecast is also \$1.3 billion. How can he have a GDP growing by \$1.3 billion? The Minister is taking 100 per cent in tax! Is that simple enough for you or do you want me to go through it again?

Dr. Rowley: Go over it again.

Mr. C. Imbert: Okay. The present GDP is \$30 billion, multiply that by 4.5 per cent one would get \$1.3 billion, but my esteemed colleague is increasing revenue by collection of \$1.3 billion. Mr. Speaker, that means a tax rate at 100 per cent, but the Minister says he is reducing tax.

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The Minister made a song and dance about the returning national incentive scheme; because people were using and abusing it. It would be interesting to go into the records to see whether any of the close associates of the Minister of Finance recently benefited from the returning national incentive scheme, perhaps one or two days before the budget presentation. Very interesting to go into the records to see if any of his colleagues, associates, or friends imported motor vehicles under their returning national incentive scheme.

The inconsistencies do not stop there. The Leader of the Opposition has indicated that different figures were used in the speech and the budget documents. The total expenditure in the speech is \$9.65 billion. The total expenditure in the budget is \$9.78 billion, a difference of \$120 million. Funny, monopoly money!

The development programme is back. The truncated development programme of the Member for Oropouche—poor fellow, he thought he would have been Minister of Finance—is \$1.03 billion, that is what the Member for Oropouche thought the development programme was, at least up to a few minutes before the presentation of the Minister of Finance. I am sure he was as surprised, as all of us, to learn that by the slash of a cruel knife the Minister of Finance removed \$200 million out of the capital programme and slashed it to \$810 million. The budget speech is replete with these unusual, irregular statements.

An interesting statement on page 16, a bland misleading statement about \$332 million to finance projects in the social sector in 1996. Which ministry is this expenditure allocated to? Certainly not the Ministry of Social Development which has a development programme of only \$7 million. If this Ministry's development programme is \$7 million, where is the other \$325 million? Clearly another random, bogus number. Certainly the increased expenditure in social programmes is not in their unemployment relief programme which has been slashed by \$23.6 million. Again an indication of the thinking of this Government of national unity.

The Minister of Finance gave Caroni (1975) Limited \$232 million extra and cut URP by \$23 million, a factor of 10—1. Perhaps, if one were to be uncharitable the Minister of Finance is punishing the people of the corridor and south Trinidad for voting PNM. We in the PNM spent over \$1,000 million in 1995, over \$1 billion on projects in the social sector, three times the fictitious, imaginary figure of the Minister of Finance. Another fraud, another joke, another mirage in the budget presentation.

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Let us look at the actual figures. The Member for Tobago West and East banged the table during the presentation of the Minister of Finance, but I am certain that the Member for Tobago West is not aware that the Tobago House of Assembly's development programme has been cut from \$43 million in 1995 to \$42 million in 1996. It has been reduced! The allocation of the Urban Redevelopment Programme of Trinidad and Tobago has been cut from \$1 million in 1995 to \$600,000.

The Member for Oropouche loves to come to this House and carry on about people's land being acquired and compensation not being paid, but the Minister of Finance has cut the vote for land acquisition from \$10 million in 1995 to \$9 million in 1996.

With respect to the allocation for the Road Improvement Fund Programme, only \$25 million is indicated in the PSIP, where is the other \$25 million? Is that a random, bogus, imaginary number? The point is, not only has the Minister of Finance grossly inflated and over-estimated his revenues in order, as my Leader had indicated, to meet the demands of his colleagues, but he has also under-funded a number of important programmes.

On page 20 of the Development Programme, the Member for Oropouche indicates that \$92.4 million in contracts were awarded in Phase II of that IDB funded programme in October 1995. These projects all have a gestation period of 12 months, which means by around October/December 1996, once the projects are on schedule, \$92 million will become due for Phase II of the Rural Access Roads and Bridges Programme. What has the Minister provided the Member for Oropouche and my successor in the Ministry of Works and Transport? Nineteen million. He has under-funded that programme by \$73 million.

4.50 a.m.

Mr. Speaker, I ask: As payments become due and the \$19 million allocation is exhausted by March, what happens to the contractors? Do they just shut down, stop work, or will they shut down in PNM constituencies and continue to work in UNC constituencies? What is going to happen? There is a pattern throughout this entire budget presentation. One only has to look at deletion—the complete elimination of the urban redevelopment programme of the PNM administration. My other colleague has spoken about the scrapping of the National Library, and I heard the Member for St. Joseph bleating about having no money for it.

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The previous Cabinet approved under a programme called Fincor 3 from the Republic Merchant Finance Bank, an allocation of \$85 million for the National Library buildings. All of this nonsensical talk about no funds for the National Library building, it is just that. What has happened is that clearly they have taken the opportunity to reallocate that \$85 million to constituencies not represented by the PNM. There is a clear pattern throughout the budget documents, Mr. Speaker. They are punishing the inhabitants of Port of Spain, they are punishing the inhabitants of San Fernando—they just took out the Harris Promenade project, just like that. They have decided that the beautification of our second city is no longer important, and that is why we had to make the point that if it were not for the PNM administration there would have been no Brian Lara Promenade, no City Gate, no highway beautification programme, nothing; and there will be no Harris Promenade unless sufficient pressure can be put on this vindictive regime to understand the error of their ways.

If one goes through the budget estimates, through the Public Sector Investment Programme, one will see a deliberate attempt by the Member for Oropouche to pretend that projects that were approved in PNM constituencies, schools, all sorts of infrastructure development in the 1995 PSIP, never existed. They pretend that they do not even exist. There is a pattern that wherever a project was approved for a PNM constituency, funding was allocated, funding was sourced, tenders were invited but the contract was not awarded before November 06, it has been mysteriously deleted from the development programme; pure spite and vindictiveness, and an attempt to punish the 250,000 voters who voted for the People's National Movement. That is what it is—pure spite and vindictiveness.

Mr. Speaker, the slashing of the development programme and the removal of projects from PNM constituencies indicate the short-sightedness of this regime. It is understood by all international experts that in order to propel the engine of growth one must have a strong capital development programme. As my leader has said, "our level of capital spending during the period of adjustment has been way below the required threshold level."

In 1996 the PNM administration would have expanded the capital programme to fuel income generation, to generate employment, to rebuild and replenish our stock of depleted infrastructure, to create wealth, to distribute wealth; we would have expanded the development programme in 1996 because we recognized that it was necessary to do so, but this Government has reduced capital spending to less than 3 per cent of GDP or almost less than half of the recommended levels, but I understand what is going on, Mr. Speaker. The Minister of Finance has to

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keep the Member for Oropouche in a state of continuous paranoia and neurosis; as he feels that he has a programme he slashes out \$200 million from the development programme without realizing the first target he is going after is the Minister's capital development programme; the first target for reduced expenditure 1996 would be the Ministry of the Member for Oropouche. The Member for Oropouche would continue in the mode in this Parliament and elsewhere—the bridesmaid, never the bride—poor fellow, I sympathize with him.

Some time yesterday I heard a futile attempt by the Member for St. Joseph, the manipulous Member for St. Joseph who still does not understand that volume, sarcasm and tone are no substitute for quality. He is right here. He still does not understand that these things are no substitute for quality. One hopes that one of these days he will understand. He tried in a vain attempt to decry the achievements of the PNM administration over the period 1992—1995. But again, it is clear to me that the Member for St. Joseph does not read.

Let us go to page 5 of the *Review of the Economy 1995* published by the Minister of Finance. It says:

"Domestic Economy, Gross Domestic Product

Preliminary estimates of economic performance reveal that the Trinidad and Tobago Economy expanded by 3.5 per cent in 1995 after experiencing a real growth rate of 4.2 per cent in 1994. This reflects mainly a 4.0 per cent expansion in output in the non oil sector..."

So the sector that experienced the largest income growth in 1995 was the non oil sector. Clearly, the PNM administration had already achieved the shift from the oil sector to the non oil sector in terms of its contribution to the national economy. As a matter of fact if one looks at it, one will see that the petroleum sector is just some 20-odd per cent of the GDP. That means that the non-oil sector is in excess of 70 per cent of GDP. So what is all this dependence on petroleum that we keep harping and bleating about? If almost three-quarters of GDP is in the non-oil sector, how can we be dependent on the petroleum sector? I just do not understand my dear fellow.

Listen to this. These are the words of the Minister of Finance because this is his document. I quote:

"The developments in the non-oil sector reflected the strength and successful diversification of the economy."

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Those are the words of the Minister of Finance of that Government, that the performance of the non-oil sector achieved by this PNM administration reflected the successful diversification of the economy. I am not hearing the Member for St. Joseph. Apparently he did not read the document. When one goes through all the economic indicators, for example tourism—up, construction—up, manufacturing—up, every single indicator—up, what can I really say about the budget presentation of the Minister of Finance, someone who claims to be a proponent of fiscal prudence and prudent fiscal management? Look at the Draft Estimates of Recurrent Expenditure.

5.00 a.m

Recurrent expenditure is projected to increase, Mr. Speaker, from \$9.046 billion in 1995 to \$10.174 billion in 1996, an increase of \$1.127 billion. This is an hon. Minister who addressed the Rotary Club—people would believe him, unfortunately—and talks about fiscal prudence and not an extra job in the public sector, but he increases recurrent expenditure by \$1.1 billion while slashing capital expenditure by \$200 million. That is economics for you, Member for Oropouche. I like it too bad! That is how one restructures an economy, Mr. Speaker, increase recurrent, cut capital. That is a perfect recipe for growth, negative growth.

Mr. Speaker, let me go straight to the Ministry of Works, and I am not going there because that was my former incarnation. I am simply going there, because that is the area where the two-sided approach of the Minister of Finance is most evident. Page 212 of the Estimates of Expenditure—Ministry of Works and Transport, Item 01, Head 43, Subhead, Personnel Expenditure—1995 Revised Estimate for Personnel Expenditure, \$272,782 million; 1996 estimate, \$314,777 million, an increase in personnel expenditure in 1996 of \$41.9 million; a \$42 million increase in wages and salaries in the Ministry of Works and Transport in 1996. The Minister is on record—I saw it in the *Express*—as saying that not one single additional job in the public sector will be created while he is Minister of Finance. He is wielding the Chinese chopper, but the people in the Rotary Club have not seen this. When the whole page is studied, one sees the fraud in the budget presentation of my erstwhile colleague on the other side.

Let us go to the Ministry of National Security. Nothing is wrong with this you know, but one must not mislead the population. I have no problem with

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increasing personnel expenditure in the Ministry of National Security, but do not say you are not doing it and then put it in the estimates. The Ministry of National Security, page 123, Head 22, Subhead 01, Personnel Expenditure—the 1995 revised estimate is \$551 million; 1996 estimates \$647—

Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Mr. C. Imbert: I thank the hon. Members on both sides of the House for that honourable gesture of allowing me to continue the “ratchiffee” of the figures, the deceit in arithmetic that the Minister of Finance has wrought on his colleagues. Personnel Expenditure 1995 estimates, Ministry of National Security, \$551 million; 1996 estimates, \$647 million; an increase of \$96 million. Does that sound like not a single additional job in the public service to you? We are spending nearly \$100 million extra in the Ministry of National Security on Personnel Expenditure.

Mr. Assam: That is an inheritance from you.

Mr. C. Imbert: To show that the Member for St. Joseph is woefully ignorant, I invite him to delve into the figures and he will see that the personnel expenditure increases are across the board in virtually every department, and the Ministry of National Security has nothing to do with one project or the other. I do not have anything against this. I have no problem with increasing the allocation to the Ministry of National Security. I think they should get as much money as is possible, but do not come before the national community and make statements that not a single job—it is amazing some of the public utterances that some of our public officials make.

The Ministry of Local Government is the same thing. The Minister of Local Government attempted to make the point that the various memoranda which were issued in that ministry, increasing the public sector wage bill in the various corporations, were not of his doing. The public servants did that, not he. They sent out the circulars increasing the unemployment opportunities for daily-paid workers. I am afraid that it is very difficult to accept that, of course, if that is what he said, but it is very difficult to accept that. One sees a pattern in these recurrent estimates of squandermania.

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Many of these programmes which the Members on the other side hope will come to pass in 1996 will simply not occur. As the Leader of the Opposition has put it, the Minister of Finance has pulled a great hoax on his unsuspecting colleagues. In previous administrations, Mr. Speaker, even the administration of the Member for Tobago East, there would have been discussion and consultation between the Ministry of Finance, the budget officers and the various ministries and officers and the Ministers would be told the situation like it is. The Ministry of Works, the Ministry of Local Government, the Ministry of Education, and the Ministry of Health would come with demands and say: "In 1996, I want \$2 billion," and the budget officer would say, "you cannot have \$2 billion, you may have \$700 million," or whatever it is, and they would close the fiscal gap and balance the budget.

5.10 a.m.

You see, Mr. Speaker, not being an elected official, the Minister of Finance's position is a bit tenuous in that Government and therefore he does not have the authority to tell elected Members, "You cannot get \$1 billion or \$500 million, you can only get \$200 million." So, what he has done is pretended that he has given them their allocation. I heard the Minister of Social Development proudly boasting that for the first time the Ministry of Social Development has got the complete development programme that it requested. What a way to run a government! If the Member asks for seven, he may be told, well, take seven. If one asks for 77 he may be told to take that too. If there is a surplus of \$300, no problem. If one needs a surplus of \$1 billion, one may say, "I could do that too." What is it, Mr. Speaker? Just throwing numbers up into the air and letting them fall wherever they may. There is no scientific, no rationale.

One looks at 42 per cent increase in value added tax against the background of increasing the threshold for registration for VAT from \$120,000—\$150,000. The Minister has reduced the number of companies that were registered for VAT, reduce the compliance requirements but he expects to raise an additional 42 per cent in VAT.

Most of the hon. Gentlemen on the other side are very learned, educated, experienced people. These are not numbers I am making up. They should check out these figures themselves. Go into the figures; see that value added tax declined in 1995 and therefore it is impossible to increase collections in 1996 by this fictitious \$519.1 million. It is impossible. Personal income tax has remained constant over the last two years with even the reduction in the marginal rates of

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income tax. Therefore, it is impossible to increase the collection of personal income tax unless there is some sort of second budget exercise coming later in the year to correct the wrong figures.

Mr. Speaker, I am afraid, I cannot support this budget. I agree with some of the measures. I would have far preferred if my colleague, who is a certified accountant, had not fallen prey to temptation, had not taken the easy way out and succumbed to the demands of his parliamentary colleagues. He knows that the figures are wrong. I would have preferred if he had come with a balanced budget and then we could have debated the philosophy behind the various fiscal and monetary measures. We could talk about the reduction in the marginal rate of income tax. We could talk about the removal of the first unit scheme as a deduction for income tax. We could talk about the reduction in mortgage interests.

I would have congratulated him for continuing the policy of the People's National Movement introduced in 1992, a great stimulus to the construction industry, the tax exemption on rentals accruing on properties constructed by a particular date.

The Member for St. Joseph does not read, he does not remember, he does not understand. It is the PNM Government that extended the deadline date for construction of properties to benefit from tax exemption for construction of properties. Therefore, he is in no position to put forward the proposition that we would not have continued along these lines. But, I congratulate the Minister for seeing the wisdom of that measure, for observing the tremendous expansion in construction activity in all parts of Trinidad and Tobago as a result of that fiscal incentive; a fiscal incentive bitterly attacked by the Member for St. Augustine.

Mr. Sudama: Only in Westmoorings.

Mr. C. Imbert: Mr. Speaker, this is a curious Government. The Member for Oropouche in his misery having been sidelined from the Ministry of Finance makes irrelevant comments about only in Westmoorings. He is trying to tell me that the grand bazaar in the constituency of St. Joseph does not exist; the construction taking place downtown does not exist; the construction of residential properties all over the country to catch the deadline date does not exist. It just goes to show that he is out of touch. He is suffering from "tabanca", from withdrawal symptoms. He thought he would have been the Minister of Finance and he now sees that diminishing on the horizon because my hon. colleague has a

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very good heart. He is not going for any by-pass operation in the near future and may be Minister of Finance for some time. *[Interruption]* He is a good campaign manager, I am not denying that.

On the next occasion, Mr. Speaker, when we on this side regain the Government, the Member for Oropouche would have gone through yet another cycle in his life seeing the grapes but, like the fox who could not reach them, saying those grapes are sour. That is the story of his life. When we regain the Government in a short while the Member for Oropouche yet again would not have been allowed to enter the particular office in the Twin Towers in the portfolio of Minister of Finance. *[Interruption]*. It is all right, Mr. Speaker, I understand his “tabanca”. I sympathize with him—a serious “tabanca”.

Mr. Sudama: I will have to check the URP.

Mr. C. Imbert: Mr. Speaker, let me talk a bit about the achievements of this administration. *[Interruption]* He is a decent fellow. He is not a criminal lawyer like you. There are a few decent fellows in your organization but they will soon realize that they are in the wrong place.

Mr. Sudama: He is buying more cement than the cement factory can produce.

Mr. C. Imbert: Mr. Speaker, let us look at the Public Sector Investment Programme. Let us look at the plans for road development in 1996 and beyond. What is going to take place in the road sector in 1996 and beyond? Page 23 of the Public Sector Investment Programme—Roads and Bridges—states that:

“concessional resources from the CEC are to be used in 1996 to commence reconstruction of the Solomon Hochoy Highway between Couva and Tarouba,...”

5.20 a.m.

“...the programme of works, which has been costed at \$145.0 million, includes project bridge repair works on the Uriah Butler and Solomon Hochoy Highways”.

A PNM.

“84. A comprehensive National Highway Programme has been developed with assistance from the IDB”.

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You know, they did not even change a fullstop, comma, semi-colon, capital P. All they did was put Public Sector Investment Programme, 1996. It used to be 1995, they took out the 1995 and put 1996. That is all they did.

“A comprehensive National Highway Programme has been developed with assistance from the IDB. A proposal for a loan of US\$120.0 million is currently awaiting Board presentation. The programme has been organised on a time-slice basis, incorporating both capital and recurrent costs to ensure adherence to an adequate maintenance regime...estimated to cost \$725.0 million...”

over a six-year period. The programme scope is being reviewed and actual road resurfacing will begin in late 1996. A PNM project.

“85. In 1995, the CDB approved a loan of US\$17.5 million to assist in the implementation of the Southern Roads Development Programme. The programme of civil works includes the extension of the Solomon Hochoy Highway to Ciperó Road, dualling of the San Fernando Bye-Pass from Pleasantville to the Cross Crossing Roundabout, and construction of a connector road from Green Acres Roundabout to Ciperó Road.”

I wonder, Mr. Speaker, now that the entire San Fernando region is represented by the PNM, whether this project, too, will be deleted, but at least it is in the PSIP for 1996. I wonder if it will be in the PSIP for 1997?

Let us look at drainage.

“No. 92. The 1996 Investment Programme includes allocations amounting to roughly \$14.0 million to finance activities related to drainage and flood control infrastructure in Trinidad and Tobago. The sum of \$6.0 million has been set aside for the preparation of the required detailed engineering designs and environmental analyses for a major Drainage and Flood Control Rehabilitation Programme to be funded by the World Bank. In addition, the following significant civil works projects are to be carried during the year:

- (a) dredging of the Caroni River;
- (b) dredging of the Maraval River and tributaries; and
- (c) continuation of construction of the Milford Road Esplanade.”

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A PNM programme! And I do not begrudge the Members on the other side, Mr. Speaker. This is what they do not understand. They carry on—ramble and bramble—about Government of national unity, but they are missing the point.

I want these programmes to take place, Mr. Speaker! I am glad they are in the PSIP. I exhort the Members on the other side not to be vindictive and petty. Leave these programmes in place, so that all of the citizens of Trinidad and Tobago can benefit from improved road infrastructure. I am certain that my successor in the Ministry, as I have said, a decent man, will pursue these programmes with diligence and I do not begrudge him at all. I will be happy when I see the road infrastructure of Trinidad and Tobago being improved, as a result of the foundation laid by the People's National Movement government. I do not begrudge them at all. The beneficiaries of our policies implemented by the other side will be the people of Trinidad and Tobago. That is true national unity. PNM policies being implemented by the other side. I have no problem with that at all.

Mr. Deputy Speaker, one of the serious regrets that I have, if one looks at the PSIP, the record for urban redevelopment in 1995, it was estimated that approximately \$16 million was spent on urban redevelopment in 1995, including Whitehall restoration; the foundation for the National Library; Ministry of Works and Transport Headquarters; extension of the Brian Lara Promenade—all the money well spent. I truly regret, Mr. Speaker, that the Members on the other side are so shortsighted that they do not recognize the value of aesthetics; that they do not realize the value of art; they do not realize the value of culture. They do not realize the value of vision, as my colleague for Laventille East/Morvant had indicated, that it is necessary to have vision.

We cannot go all over the country with a hodgepodge and jumble of unplanned development. One must have focus, Mr. Speaker. One must recognize the importance of a capital city. That is why it is called the capital city. It is the focal, central point of the nation; it is where the seat of Government is; it is the centre of authority and power I hope in time, Mr. Speaker—especially I am speaking to you, now—that they will re-think one of the projects that is of importance to you, Mr. Speaker, the restoration of the Red House. This magnificent building has suffered over the last several years—

Mr. Assam: And the NAR fixed it!

Mr. C. Imbert:—from deterioration, from attack by insurgents, and so forth. One of the projects in our Urban Redevelopment Programme was the historical restoration of the Red House. To restore the centre of authority; to restore the centre of parliamentary activity in the country; to give it pride of place in activities in Trinidad and Tobago, and I am sure that having heard what I have said, you may wish to persuade your colleagues to re-think their posture on the abandonment of the restoration programme for the Red House. I have no difficulty with review, the assessment, restructuring, reorganization and so forth. I have no problem with that. Any government that comes in has the mandate and authority to carry out the policies that they deem to be appropriate, but one must not throw out the baby with the bath water—out of pure spite, vindictiveness and hatred—just because people in Port of Spain and San Fernando did not vote for them. Kill the National Library building; kill the Red House; kill Woodford Square; they stopped the Promenade; they stopped the Wrightson Road Beautification Programme. They killed Harris Promenade. It is not necessary, Mr. Deputy Speaker, and I can assure them that if they continue with this cruel and thoughtless approach to development, the backlash will be very soon in coming!

Mr. Speaker, how many more minutes do I have?

Mr. Speaker: You have seven more minutes.

Mr. C. Imbert: I thank you for that information, Mr. Speaker.

The progress made in the Ministry of Works, which is now a platform for my successor—and he has a very good crop of dedicated public servants, Mr. Speaker, who functioned under the NAR regime, under the PNM government, and now will function under the coalition Government—a dedicated group of public servants; and he should not make the error of his colleague from Tabaquite, who is only seeing ghosts and enemies around every corner; mirages and spooks behind every tree, as he plays on his Atari video game “Power Rangers” in his office.

Perhaps he got confused, Mr. Speaker; perhaps he thought that the Ministry of Education was a video game and the objective was to kill every public servant and score multiple points. Perhaps, that is the problem—I do not know what it is—but as I said, my understanding of the new Minister of Works is that he is a decent and intelligent man; and I hope he will continue the progressive, forward-thinking programmes that were put in place by the former PNM administration.

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The progress we made, Mr. Speaker, was not confined only to road and drainage development. We had a considerable public building programme. It is curious that they have announced the abandonment of the decentralisation process and the abandonment of the administrative centres programme, because many of these centres were earmarked for areas now represented by Members on the other side—Princes Town, Penal. Can the Member for Oropouche honestly tell me that there is no need for an administrative centre joining together all of the public service organizations—the Warden's Office; the Inland Revenue Department—in Penal, Debe?

Mr. Sudama: Where in Penal?

Mr. C. Imbert: In the Penal region. You do not understand.

5.30 a.m.

Can he honestly tell me that there is no requirement for the administrative centre in Princes Town; that there is no need to draw together the dilapidated magistrate's court building, the post office facilities? There is no need to do that? Very short-sighted! I would exhort the Members on the other side to re-think that policy as well. One must have balanced development. Certainly one can take all of one's money and put it into one or two areas, but man cannot live by bread alone, one must have a holistic approach to development. One must balance all of the competing demands to give a proper balanced view of development.

As I said, it is clear when one goes through the development programme that many important projects have been deleted from PNM constituencies. Permit me to make one example in the constituency of Diego Martin East. In the development programme for 1992, 1993, 1994 and 1995, and prior to that, 1991, 1990, in the Ministry of Works there was an allocation for the reconstruction of a bridge in La Seiva, Maraval. This bridge was built many, many years ago when the river was unpaved. The distance between the bridge abutments is narrower than the present paved river channel. What this creates is a natural blockage point at that location in the river.

The former Minister of Works under the NAR administration recognized the need to execute this very important drainage problem, although it is, in fact, a bridge. I also recognized it, but also recognizing the need to be equitable, the project was not executed in 1992, 1993 and 1994. The allocation was transferred to other more important drainage projects in Oropouche and Caroni and all these areas. But I decided in 1995 that after seven years it was about time this project

was implemented. A temporary access bridge was built to facilitate the residents of the area. It was, in fact, completed after we demitted office some time in December, 1991. But lo and behold, when one looks at the estimates, there is no allocation for the new bridge. So you have two single-lane bridges into La Seiva now; one too narrow, one unusable and no allocation for the new bridge. This is typical. They have just deleted it because it is a PNM constituency.

As you go through the estimates you see schools, police stations, health facilities, community centres, all deleted in PNM constituencies. These are projects which were approved, tenders awarded, and in the case of this particular bridge, preparation work has already started. What are we to do now in Maraval with these two bridges? It is like the white lines along Saddle Road for the laying of a 12-inch pipeline, which will improve the water supply for my constituents.

The Minister of Finance, I understand, tends to call WASA on occasions when he has no water—a 12-inch pipeline was due to be laid along Saddle Road to boost the water supply—Maraval being the worst areas of water supply in the country, and the Minister of Finance can attest to that. Over the Christmas period, despite his excessive storage capacity—I think it is about 10,000 gallons or something like that—he was bereft of water.

So I sincerely hope that the new administration would reconsider their approach to development that will treat everybody with an even hand; that they will be equitable in the distribution of resources; that they will not punish PNM constituencies. I ask my colleague, the Minister of Finance, to look at his figures again. I do not believe they are correct. I am afraid that although some of the measures are commendable, the effect of the whole is not favourable. So that I join with my colleagues on this side in my inability to support the 1996 budget.

I thank you, Mr. Speaker.

Dr. Keith Rowley (*Diego Martin West*): Mr. Speaker, normally at this time I am rising to meet the new day as I make my way to the tennis court for 6.00 o'clock, but that is not to be this morning. However, I would not have done my duty to my colleagues, my constituents and the wider country if I did not make a small contribution in this very important debate.

Let me begin by saying congratulations to my former Cabinet colleague, the Minister of Finance, on the presentation of his first budget to the Parliament of Trinidad and Tobago. As I do that, I also would like to record my disappointment in the way this debate has gone. I am sure that when you took that office and

committed yourself to bringing to this House some standard of behaviour of which we can all be proud, you did not anticipate presiding over a budget debate, where the new government comes into office with great fanfare, holding out a mantra of accountability, transparency and all kinds of "t's", and a number of decent people like yourself, Mr. Speaker, are forced to be subjected to the subversion and machinations of my Friend from Couva South, who managed to bring his successes in other institutions to the Parliament and effectively subverted the very spirit of parliamentary debate. [*Desk thumping*]

For the last nine hours the Opposition has been responding to the bikini presentation of the Minister of Finance, who, in presenting a budget that was noted for its brevity, indicated that this Government, which has been playing PR games for the last 10 weeks or so, would establish its policy before the national community as we proceed in this debate. What the Minister of Finance did not cater for—because I am sure in all honesty he felt that his colleagues, one of them in the Front Bench, would have gotten up and supported him on his budget.

Little did he cater for this kind of approach which would allow the Government to operate the Parliament in such a way as to have all the Opposition Members speaking and not one of them responding. Now, of course, they are free to get up and talk as long as they want and nobody could rebut whatever they want to say. This is the first time this Parliament has ever been disgraced in this manner and I am ashamed to be a part of this Parliament.

But to get back to the point. I am not surprised that after the presentation of the Leader of the Opposition this morning which pulled the veil of the masquerading bride of a good budget, exposing it for what it is, that all of them ducked and ran for cover, not having the testicular fortitude to stand up and defend the Minister's budget.

5.40 a.m.

Mr. Speaker, the budget can be described in the Minister's own words. I am sure that the Minister was subjected to much advice as he attempted to present this budget because the Government did indicate that it would engage itself in consultation. I am sure he did engage himself in widespread consultation, and advice would have come in from all quarters, not the least from among his colleagues on the other side.

As the Minister himself said, he got advice, some good, some bad and some mad; and, as he complained about not having enough time to put a budget

together after the election and having to meet a deadline, it is clear that from what is presented to us that the Minister took the advice he got and threw it into the budget—some good, some bad and some mad. That is what happened.

As the Minister of Finance sought to be all things to all men, especially to the smaller men, he prepared a budget which had been described by one of the institutions in the country in a very tongue-in-cheek fashion. Listen to what Price Waterhouse had to say about the budget, having looked at the PR that followed the presentation:

“There can be no more commendable intention than these but there is, of course, a well-known phrase about good intentions.”

Mr. Speaker, do you know that phrase about good intentions? It says that the road to hell is paved with good intentions. I have no doubt that the Minister of Finance had good intentions because he is an honourable man. If this budget delivers what it promises, I have absolutely no doubt that much travel in Trinidad and Tobago would be on the road to hell, paved with the good intentions of the Minister of Finance.

Mr. Speaker, we heard much this morning about the structure of the budget; the inaccuracies; the mistakes; the pretence and the deception. I want to indicate how the illusion works. When the budget was presented many persons, including Members on the other side, colleagues of the Minister, cheered very loudly not knowing what the budget contained—because I doubt if any of them consulted any of the documents. They exposed themselves to the rhetoric of the Minister and they cheered loudly.

Let me take the agricultural sector and show how the budget is purely an illusion of good things while, in fact, it is far from that. When the Minister of Finance spoke of the agricultural sector, and even when the documents were presented and the numbers taken at face value, persons who did not understand the import of the numbers or what the Minister was saying, got the impression that this Government, while in Opposition, talked so much about agriculture—and was still talking about this new expanse thrust in agriculture—had done something new about agriculture and there is to be increased action in the agricultural sector. Many very impressive commendations were given to the Minister for that. In fact, if I take a moment just to quote a couple from the same Price Waterhouse document.

In one paragraph on page 8 it states that:

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“emphasis and focus on agriculture is welcomed.”

So impressed were they that additional money was made available to agriculture, that they were moved to say that the emphasis and focus on agriculture is welcomed.

Mr. Speaker, I propose to indicate and show how there was no emphasis or any focus on agriculture. None whatsoever. When one looks at what was provided, one would see nothing new. As we listened to the Minister of Agriculture, Land and Marine Resources, I am sure, he did the opposite to his colleague from Tabaquite, who spoke to the Permanent Secretary and the technocrats in the Ministry of Agriculture, Land and Marine Resources and was given a situation analysis of the Ministry at the end of 1995.

The Minister came here today and every single thing he read from his speech showed that every single policy; every single programme; every single action plan is underway in the Ministry of Agriculture, Land and Marine Resources; a summary of the work of the last Minister for the last four years. Every single thing. I commend him for having the good sense to recognize what is good to follow the advice of the Minister of Finance and say what is good we would keep and what is bad we would throw out. Not a comma changed in a single programme.

In fact, if one goes through the speech of the Minister of Finance one would see insofar as policies and strategies are concerned, outlined on page 11 of the budget presentation, it is virtually word for word of *the Medium Term Policy Framework of 1995-1997* which we prepared in 1994. Then, of course, the strategies identified on page 12 in the budget statement are virtually identical to the Ministry's Action Plan of 1994—1995.

So, when the Minister said he did not have time to prepare the budget he did not have any difficulty with the Ministry of Agriculture because all he had to do, as he did, was to extract what was there and present it here and collect the kudos, but there is a little problem with that. One has to understand what one is doing. Even when one is copying, one has to understand not to copy the person's name because your source will be identified.

The Minister of Finance got many kudos for presenting a \$60 million packages for his 1996 budget and that package is for a social mitigation programme. Let me read what the Minister had to say on page 11:

“Formulation of a Social Mitigation Programme which will involve the disbursement of \$60 million to farmers who have suffered from the adverse effects of structural changes in agriculture.”

That was the Minister’s statement.

Let me read from a statement in a very interesting document which has on page 12, a social mitigation programme. It says:

“In order to assist in mitigating the adverse social effects of the adjustment measures, the Government would implement a short-term social mitigation programme.”

Identical. When the Minister said that, he did not quote the author; he did not identify the source. If he had done so, he would have found that he had great difficulty with his party chairman, if he is a member of the party; because I know he is in Cabinet without being a member of the party and that is normal. That quotation came from a document dated August 11, 1995. It is a letter of sectoral policy to Mr. Enrique Iglesias, President of the Inter-American Development Bank and the letter is signed, Keith Rowley, Minister of Agriculture, Land and Marine Resources.

5.50 a.m.

I will tell you a bit more about that in a moment. Here was \$60 million that the Minister had found to put into his 1996 budget, and he got a lot of kudos; farmers were saying what a great budget because, for once, the Government is giving farmers money. What is the money? The Minister did not even understand what was presented to him.

It took me a long time to figure what was happening. How did he get \$60 million? I could not find that \$60 million anywhere else in the document, not in the development programme, not in the allocation in the Ministry itself. Where did that come from? It came straight out of the letter of sectoral policy for the agricultural sector loan for which completion has not yet been negotiated.

This letter of sectoral policy was part of the process of negotiating that loan and that process has not been completed. Worse than that, in that document and in that arrangement for that agricultural sector loan, we were seeking to get a US \$5 million for two successive years in that programme to carry out the social mitigation programmes described by the Minister; \$5 million for each year. Somebody who assisted the Minister of Finance decided that \$5 million by \$6

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million is \$30 million, and it is for two years, so \$30 million by \$2 million is \$60 million. That is the basis of \$60 million for a social mitigation programme in the 1996 budget.

Tell me that the budget has make-believe money. Can I demonstrate it any clearer, Mr. Speaker? That is how \$60 million appeared and that is how the national farming community was misled into believing that there is \$60 million for farmers to mitigate the adverse effects of structural changes in agriculture.

I saw one farmer who went bankrupt in 1992. He is forever blaming it on the Government's policy which came into effect in 1993, holding out his cheque book, waiting for his share of the \$60 million which would never come. Unless the Government concludes these negotiations and signs the document to accept the agricultural sector loan, there is no \$60 million to be had for the 1996 budget. Even if they sign it, the best they can get is half of that because the programme only asked for US \$5 million in one year. Do you see the confusion? There is a wider issue here, the issue of policy. We heard much from them on the other hand when they were in the Opposition. They made a great song and dance about the PNM Government subjecting itself to the dictates of the international agencies.

The chairman of the party is today the Minister of Public Administration and Information; I do not know if he knows that the Minister of Finance has agreed to pull out \$60 million from an agricultural sector loan being sought from his nemesis, the IADB. I do not know if he knows that in order to access that \$60 million there are a series of conditionalities. I assume that as the Minister has committed his Government to accessing that \$60 million, he has also assisted the Government in accessing the other conditionalities. It is a package of conditionalities. One cannot extract what one wants and leave what one does not want. For those Members who have not read the document and those who do not talk to their Minister of Finance, and those who cannot understand what is going on, let me tell you what is happening. As the Minister accesses the \$60 million, one of the conditions is a reduction of staff at Caroni Limited. Ask him by how much and when.

I understand the Government met in Cabinet some time recently to determine how to respond to the budget. I do not think it required a Cabinet meeting, save to stay mum. I hope when the Government meets in Cabinet again they will ask for this document. It is available from the ministry. I see the Minister of Agriculture, Land and Marine Resources looking totally bewildered and lost. The Minister will see that the Minister of Finance has committed him to reducing Caroni staff

by 1,000 persons. Did he know that when he was banging his desk just now? The Minister did not tell us that. Maybe the Member did not know that because the budget is prepared in that context, throwing random numbers together to come out looking good.

Another matter which impressed the farming community was that there was an increase of \$232 million, from \$55 million to \$287 million. One asks: What is this for? Ten weeks ago I did not know of any programme in Caroni and I did not know of any request from Caroni to absorb that kind of expenditure. It took me a long time to understand what was going on. Again, the Minister and the Government received a great deal of kudos from the business and the farming communities. Money for farmers!

If the Government has money for farmers why is that money being put into Caroni Limited, a state company? Then I discovered \$287,934,865. It is only when we confronted the Minister this morning that we put it in correct perspective and to quote the Minister of Agriculture, Land and Marine Resources, he admitted these sums are “basically paper transactions.”

Mr. Speaker, no money. It is a cheque being written in the Ministry of Finance to be sent down to Caroni—if it ever gets there—to come back to the Ministry of Finance and it is a book transaction to carry out and complete the write-off of \$2.1 billion, which is a decision of the PNM Government that was required to make Caroni Limited bankable. Not one cent of that \$232 million is going to one farmer in this country.

This is how it goes. PAYE—which is himself to himself, \$159 million; VAT, \$29 million; Health Surcharge, \$16 billion; Land and Building Taxes, \$36 million. That raises a question. If this paper transaction or make-believe money is really what it is, when you look on the revenue side the same way you saw it impressing the country on the expenditure side, as a \$20 million increase expenditure to Caroni when, in fact, it is not an expenditure, the same thing applies on the revenue side. When you see it there, it comes over as revenue from Caroni Limited. We could throw it away in real terms, reduce both the revenue and the expenditure by this amount. It is a make-believe approach and as my colleague, the Member for Princes Town said, it is basically a paper transaction on both expenditure and the revenue side.

Mr. Speaker, do you see how the budget is illusory? It is an illusion and when one hears commentators talking about new focus in agriculture, it is

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because they are totally unaware that this is the game that the Minister of Finance has played. In fact, even with straight arithmetic and cross-correlation of the numbers if one looks in the development programme expenditure estimates, one will see a \$20 million drawdown from the ADB for lending to farmers.

While the estimate says \$20 million, the Minister of Finance is saying \$22 million. One would also see \$42 million to Caroni Limited for capital expenditure. That is an ongoing project as part of the tripartite agreement where the former Government committed itself to funding a capital developmental programme in Caroni Limited. Forty-two million dollars is required in that programme. The Minister of Finance said he would provide that \$42 million, but when one looks at the document which provides the money all one would see is \$25 million. You would ask yourself; how did this happen? What does it mean? Here is the Minister of Finance collecting his kudos for providing \$42 million for capital expenditure, but he has provided only \$25 million in real terms.

6.00 a.m.

In fact for all those who were taken in by the smoke and mirrors of the perceived expansion in agriculture, I can say that last year when we at the Ministry of Agriculture met with the Ministry of Finance, the request from the Ministry of Agriculture was for \$159 million for development programmes. As you know, as you negotiate with the Ministry of Finance that would be tailored according to your credibility. The agreement we struck with the Ministry of Finance at that time before we left office was that of the \$159 million requested for the development programme in agriculture, the Ministry of Finance under the PNM Government had agreed to provide \$122 million. They did not get all that they asked for.

This Minister of Finance and his colleagues are getting credit and giving the impression that they have done something to further agriculture in this country. The development programme as approved by this administration is \$76 million. There is no real expansion in the development programme. That is why they could not have identified a single project. Backing up all the projects, including projects like the expansion of the zoo and the fire prevention programme, when one looks at the estimates, one would see that in 95 per cent of the cases they were on the programme from last year, and this year they would provide for them.

Even though the Minister was alerted that there needs to be an adjustment in the area of moneys provided for land acquisition, I have seen no change in the allocation. Recently, the Minister of Agriculture said in this House that he intended to review the land acquisition Bill which his colleague from Siparia, the hon. Attorney General says is to be proclaimed in the very near future.

I alerted the Minister of Agriculture that the new Land Acquisition Bill has a requirement, that if land has to be acquired from the Bills proclaimed, the Government would be required to pay as much as 85 per cent of the value of that land almost immediately. It is not like the old system where people's lands can be acquired and sections 3 and 4 can be published at leisure, move on to their land and pay whenever it is affordable. The new Bill prevents that injustice. Therefore, as the Bill is proclaimed the Government must have the money available to pay people if the work and development programmes are to proceed.

Under the old Bill there was a provision of \$10 million and they are going to proclaim the new law which requires that a larger sum of money be available and the provision is \$10 million. There is no change. Just as they met it they kept it. It is difficult to find improvement on something good. I commend him for following it to the letter. The new law requires an increased allocation, otherwise the Government will find itself either not being able to acquire lands for development or operating in breach of that law and doing injustice to citizens. I am sure they do not want that.

Another area where a lot of kudos have been received by the Minister of Finance and his colleague, the Minister of Agriculture Land and Marine Resources, is for the distribution of 2,000 acres of Caroni's lands and 7,000 acres of state lands. There is nothing new about this. That is also a part of the agricultural sector loan programme which is already on the way. I could demonstrate to you where the lands are located. If I had the time I would give name, chapter and verse. It is a programme which has already started. It is very transparent.

One of the major areas of land distribution and one of the last things this Cabinet did months before demitting office was to approve the distribution of 1,000 acres of land in the Aripo area which were otherwise in the state's control and under-utilized to farmers. What did we do? We identified the lands and advertised them in the newspapers thereby inviting prospective leaders to make themselves available and to be screened by the technocrats, not the politicians. At the end of that very transparent process which had been carried out by a new

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division in the Ministry, under a new director of land administration, when those persons were screened all those lands were allocated to a variety of farmers, large, medium and small. We took care to ensure that persons who were applying for those lands were in a position to use them in the manner in which they said they could. We want to get away from the system of giving land to people who are unable to use it in the way it should be used.

When they talk about 2,000 acres of Caroni land, there is a feeling that there is to be land distribution in Caroni. They should tell the country that they are following an existing policy and at Caroni Limited there is to be no land giveaway. We also put a land management division in Caroni and those lands are for sale or lease not gift or grant. As we cleared up the books of Caroni and wrote off the \$3.1 billion, commensurate with that was a policy that from there on all the lands at Caroni are to be disposed of at market conditions only. Even if the state now requires a piece of Caroni lands for a school, a playfield or a road then they have to pay the company for the land and by the same token the company must pay its taxes and it is back on its own. Those 2,000 acres are conditionalities on which we are seeking to get the agricultural sector policy loan as part of our land distribution commitment in our manifesto. We indicated to the international agency that one of the things we are doing to review our agricultural sector is to move the unutilized and under-utilized land from the state company and from the state into the hands of private persons who can better use those lands. Those 2,000 acres of lands are surplus to Caroni's requirement because, as you were told, the tripartite agreement would have set the size of the sugar industry. Lands which are not required for sugar production or any other of Caroni's programmes—rather than have the company sit on those idle lands—are to be made available to the public at large through a transparent process at market conditions as exist in Caroni and persons can access those lands under transparent terms and conditions.

6.10 a.m.

I expect that this Government will continue to maintain that degree of transparency with the distribution of Caroni lands.

The 7,000 acres of land is another commitment to moving state lands for agriculture, plus some regularization of squatting lands all over the country. The target for that one year is 2,000 at Caroni and 7,000 at state lands, and the following year a similar amount. The intention is to move a fair amount of land into agriculture.

Mr. Speaker, I think I have said enough to give you a synopsis of how the budget was prepared. I want to go a bit further. I want to tell you that the Minister of Finance, in a number of his measures, took the approach that he was looking for money, in the same way he was looking for money and extracted \$60 million of unavailable money from the Ministry of Agriculture, Land and Marine Resources, in a programme for which the loan had not even been negotiated fully.

In looking for money, probably the technocrats said that people were escaping the tax here and there and if he removed these escape routes those persons would have no choice but to pay the Government those moneys as taxes. Where are these places? One is the credit union. Persons are paying moneys to credit unions and having paid that money, they are evading the tax payments by being able to deduct a \$625 tax credit. If they stop them from accessing that facility, they will have to pay those moneys in taxes. That was the thinking behind that attack on the credit union. I do not think it was a plot, but when one does foolishness and tries to explain it, one usually ends up doing or talking more foolishness. So when the Minister of Finance sought to find his money in that way, his colleagues, not understanding how the mechanism was working, suddenly got up and made statements which sounded like this: People have been putting their money in the credit union, most credit unions are mismanaged and the people can lose their money. So to protect the people who are putting their money in credit unions and who could lose it, we have taken away the tax credit in the expectation that they would not put their money there. That is the philosophy, but that does not seem like sense.

In seeking to explain that action, it has somehow been placed in the context of credit union mismanagement. If credit unions are being mismanaged, as some of them are, how could an action that is meant to interfere with the cash flow in a negative way help the situation? Would it not worsen the situation? We are told, there are a number of credit unions which are shaky and which have commitments, inflows and outflows. We know for a fact that a number of persons who deposit money in credit unions do not do so because they support the credit union—they do so because of the tax break, myself included. For years I have been in credit unions. I have done nothing other than deposit moneys there. I have never taken a loan; all I have done is deposit moneys there for one reason—I get a tax benefit. What would be my reason for continuing this process now that that benefit is gone?

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I am sure that there are many persons like myself who, in order to access that tax benefit, put money in the credit union. Now, as sure as night follows day, a significant number of those persons will no longer put their money there because there is no benefit to such a person and that, automatically, will affect the inflows to the credit union, and all those credit unions that are shaky will fall. I would like the Minister to convince me that a union which is shaky and which is experiencing a shortage of funds will get any stronger. It can only go under.

Insofar as the Minister and his colleagues have said that the problem has to do with the state of management of the credit union and have demonstrated no intention to save them by means other than to remove the tax credit, I am sure that that also will have the effect of shaking the confidence of the traditional people who participate in credit unions. Who are these people? The same small man who has greater access to small quantities of money through his or her credit union and who, as those unions collapse, will now find it difficult to access money at all.

I do not know how many of them know that if they deny the real small man access to credit union funds, they will go nowhere except to the money lender who lends at horrendous interest rates, with bullies to collect it. We are driving the small man from the credit union to the money lender. That is their assistance to the small man. I do not think that was the intention. The intention was to collect more Government revenues, but this will adversely affect the small man by ensuring that the flow of funds to the credit union dries up considerably and this measure threatens that indigenous aspect of our financial institution, one which needs Government support and help.

We commonly talk about the people's sector. If anything in this country is the people's sector, it is the credit union; it is the small income earner managing and sharing his own resources. Today I borrow, tomorrow you borrow, we all deposit and we manage the business. The credit union emphasizes everything we want to encourage with respect to participation and management of one's own affairs. This measure threatens the entire credit union movement, and I appeal to the Government to rethink this measure; it is not too late to rescind it and try something else.

Confidence has already been shot. It is not too late to change it. They have signalled that. From tomorrow people will begin to be affected by it. They will not wait until 1997 to begin to treat the credit union movement as a place from which to stay away. They have done enough by their statement and

pronouncement to shake confidence in the movement. I am saying restore that confidence by removing them. *[Interruption]*

Why does he feel that he has to be the talker all the time? Mr. Speaker, you know the recent converts are normally the loudest in the church. *[Interruption]* True, you know. You were at the airport the other day when my Friend was going for his operation and you saw who was crying, right. I heard you were crying. My Friend from Siparia was crying. My Friend from Naparima was crying. The Minister of Finance was wearing dark shades; I do not think he was crying. All the recent converts were crying and the true true fellows were not crying.

Mr. Speaker: The hon. Member's speaking time has expired.

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

Question put and agreed to.

Dr. K. Rowley: Mr. Speaker, I thank you, and hon. Members, very much for the extension.

The same thing applies to the reduction in the mortgage interest. The Minister of Finance is looking to extract revenue by closing off escape routes. I never favoured this measure because it sends signals to persons who want to build that if they commit themselves with a view to accessing the mortgage interest reduction—the recent trends of removing this interest is not encouraging young people to borrow money to build houses. They do not know that they can afford the house two or three years from that day because it appears as though this situation is heading towards levels that are unattractive.

6.20 a.m.

For every house that is not built because somebody took a decision not to borrow \$200,000 or \$300,000, reflects itself in the loss of a construction job and all the support jobs that go with it. Insofar as we talk about job creation, this measure will have a negative effect. While it squeezes those who are already committed to a mortgage, the Minister, by reducing the level from \$24,000—\$20,000, will close off an escape route for funds which will now go to the Treasury, rather than remain with the individual who would have taken advantage of the measure. Mr. Speaker, that would do harm to the construction sector, a sector which we have tried hard in recent years to encourage and which we still

maintain is the area which provides the best opportunity for creating short-term jobs.

The best part of this illusion of the budget to the small man, which many persons seem to have bought, is the reduction in a series of food items. We were told that the Government made a great expression of sympathy for the food buyer as a series of products were exposed to tariff reduction. However, when one looks at the units: cheddar cheese, curry, corned beef, fresh butter, macaroni, salt, tinned sardine, smoked herring, toilet paper, yeast and baking powder, the Government takes great kudos for this small man budget—the small man would have only saved \$5.00.

Nothing is wrong with that, Mr. Speaker. Five dollars is more than he had the day before. However, let us not over-play this \$5.00 as anything to do with bringing down food prices. I am sure if one goes by the grocery door or by the market gate one would not find these items making up a significant proportion of the food basket. How much yeast does a person buy in order that the VAT reduction would bring down his food bill? I see a few oversized guts on the other side, but it could not be yeast, it has to be other gases. They cannot tell me that they want to make a case for bringing down food prices by giving a \$5.00 reduction on a whole basket of goods.

Worse than that, while I understand the Government's good intention where every cent matters, and while I appreciate what the Government has done, the effect again, is another thing. Mr. Speaker, even before the budget debate is concluded the Prime Minister has recognized the error of this particular measure. This is how the crafty Prime Minister puts it over.

“No price increase, no import duties.

Prime Minister Basdeo Panday said yesterday, Government might rethink its decision to remove import duties on several items which became duty-free in 1996 Budget.”

The budget has not even been completed and the hon. Prime Minister has recognized what damage this \$5.00 cut in the food prices could do. By seeking to give this minimal reduction in food prices, the Prime Minister has recognized that by removing the customs duty a number of local companies who produce, and even export some of these items, are now clearly uncompetitive and could go out of business. If the customs duty and the VAT are removed, as the Minister of Finance says, imported products can land in this country way below what the

local manufacturers sell at. My research has shown that there are approximately 17 companies which could throw out 1,200 jobs as a result of that \$5.00.

What have they done? They have sought to give a minimal, almost subtle decrease, in the guise of bringing down the price of food, in the guise of fighting poverty. But commensurate with that, what is the effect of that action on the same small man whom they are fighting for and seeking to impress with this reduction in the price of salt—to give one high blood pressure—curry and toilet paper and so forth. What happens to those 1,200 jobs and the 12,000 or more people who depend on those jobs?

In this case I think the reduction which threatens local production is not a progressive action and the Minister of Finance should do what the Prime Minister is threatening to do, but he should not do it as any reward for good behaviour. The Prime Minister spoke to the TTMA and gave the impression that he would give them this carrot for good behaviour. I am saying to the Minister of Finance, do not do it for good behaviour. Do not wait until the jobs are lost and real poverty is meted out to 1,200 families. Do it now! Do not rescind our Caricom agreement to carry out this customs duty reduction to mislead people that they are bringing down food prices. They are not bringing down food prices by a 20 cents reduction on sardines and a 13 cents reduction on salt. In fact, if one looks at the basket of items used by the average consumer, in my calculations, these items would represent about 15 per cent. Worse than that, it is an illusion again to hold out to this population that they can look forward to price reductions.

My Friend from Princes Town, the Minister of Agriculture, Land and Marine Resources, has said that it is his intention to be self-sufficient in food in three years, I wish him luck. I am also saying to him—and he should know that there is no cheap food of any kind, anywhere in the world today, not meat, not wheat, not cheese, not oil, not anything—that insofar as we find ourselves in a position importing food, what the future holds, is for rising prices.

When they were in Opposition, they said all kinds of things about Government bringing down food prices, I wait patiently to see what they will do to bring down the prices. Anything short of Government buying food at “X” and selling it at “X” minus something, the future is not one of falling prices. As a result of the GATT, the future is not for falling prices.

I have a copy of the *Provisional Collection of Taxes Act* and all the food items are imported except for some local production which I mentioned earlier on. To be able to remove that customs duty which was implemented by way of treaty, we

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would have to go to Caricom. I draw your attention to page 12 of the *Provisional Collection of Taxes Act* which we were given today. I quote:

“(c) in the First Schedule, by—

- (i) suspending for a period of one year ending 31st December, 1996, the Common External Tariff in relation to goods...”

And those are the goods we talked about in the list of macaroni, curry and so forth.

6.30 a.m.

So in fact, we are asking Caricom to remove those duties for one year. I ask the Minister, what is going to happen after the end of December 1996? Are we going to go back for another year of extension, or are we going to allow the price to then rise back to where it was or higher? If it is a one-year exemption that we are looking for, let them say so. And while we are on that, I see the same thing about a two-year exemption again. It is running through the Government's policy; insofar as the Government has policy, one gleans the direction.

The Minister of Public Utilities, great fanfare announcing that persons who did not pay their water rate would not be disconnected until March. The same thing here, reducing the duty within a one-year period. He has sent the signal to the population, do not pay your water rates from now until March. I do not know, what is going to happen in March, or in April. He said a new system of allocation of charges will come about. I anxiously await that. I do know that was happening in the name of trying to assist the small man, but what are the likely effects of that action? Persons who were paying their water rates providing a revenue stream to the Authority, an Authority that was shortly to have a good cash flow to meet its requirement to fix its pumps and its leaks; the Minister tells people do not pay your water rates because they are not going to be disconnected and the disconnection crew is now a reconnection crew. Persons who were paying their water rates have suddenly said, why should I pay my water rates if my neighbour is not paying his and nothing is going to happen to him? So, I will stop paying mine.

I will tell you worse than that, the business community which pays a substantial amount of water rates, most of which are paid out of overdraft accounts at the banks, immediately stopped paying water rates—why should they borrow money and pay the bank interest when they could wait until whatever time and such ever time as a disconnection crew comes outside their gate. If they

do not pay WASA they would not have incurred that overdraft charge and, in effect, they are saving that money by not paying WASA. That is the effect that one expects from an action which was ill-thought out. Not to mention the fact that the Minister has sent a signal to people that they can get services in this country without paying for them.

We have taken years to wean people in this country to understanding that if one is using a service, it has a cost, whether it is T&TEC, TSTT or WASA. In seeking to be all things to all men, seeking to put populace policies in place and to create the illusion that Government is doing things for the small man, they do the most ridiculous things that have the opposite effect. When the revenues do not accrue to WASA and WASA cannot service the pumps, rest assured that when there is no water for three days in Haleland Park, Goodwood Park or in Valsayn, WASA knows and they respond, but when there is no water for five days and three months in Rochard Road, who would be the beneficiary of this? The same small man you want to help, action is put in place to ensure that the Authority is not able to provide him with even the current unsatisfactory level of service. I am not going to get into argument about it. I know that “time longer than twine”, and I will be right here when all these figures come home to roost. Because, insofar as we have projected revenues that are not to come to pass, insofar as we have held out expenditure for which there are no revenues, it is only a matter of time before the effects are felt.

For those public servants who have been told that all this money has been allocated to them, insofar as those moneys are not going to be available—and as the Member for Chaguanas said he did not know anything about the circular that went out to make temporary people permanent—they are now on the establishment and the Government will have to find money to pay them. Insofar as the revenues are not going to be realized the Minister will have a number of options, not the least of which is at the end of the fortnight to rotate the payment. Something which took place under the NAR administration; sometimes for weeks, fortnights and months persons who worked were not paid because Government was paying on rotation; so some were paid this week and others the next week. and so forth. I am saying this morning that that is the system that is going to operate as we go down into 1996, because it is not magic at all.

Insofar as this Government has sent any signal, I ask a question which my colleague from Couva North, the hon. Prime Minister asked all the time: Where are the jobs? All the Government has been talking about is closing this and

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closing that. Are the Members aware that when a Government closes a project it backs up into the system and many persons tend to lose their employment opportunities? The Government is closing the library complex project, it is closing the Harris Promenade project, all the other projects which the Government chooses not to put on the list of prerogatives, but the bottomline is, nowhere has the Government indicated any replacement opportunities. I am putting the Government on notice that its closing actions and vindictive mentality would have serious effects on employment opportunities in 1996. As a result of its closing action many persons who work on scaffolding, who provide labour, who work in quarries, who drive trucks, who are mechanics, who work in hardware stores, who work for contractors in all the offices, would lose their jobs because all the Government could have offered are closures without replacements in new projects. Let us understand that.

Insofar as the Government is talking about its development programme, this Government is proceeding with a development for schools, and if one looks in the Public Sector Investment Programme on page 9, paragraph 34, the Government seeks to give a list of schools which were underway, some level of commitment had been incurred. Interestingly enough, if one looks in the PSIP there is an error, the Carenage school has been left out. In the estimates of the development programme there is a list of schools to be built for which money has been provided, but strangely enough in the middle of that whole list of schools somebody decides that the Carenage school is not to be provided for and no allocation was made for that particular school.

6.40 a.m.

I am holding the Minister of Planning and Development personally responsible for this act of vindictiveness against the children of Carenage. He pretended it was not on the list. But I will tell you, if there is any community in this country that is crying out for a primary school, it is Carenage and, notwithstanding all that was said about preferential treatment of PNM constituencies, I can say that I represented Carenage and did not give Carenage preferential treatment in the list of schools that we were building.

So in the national school-building programme over a period of years, we had a line-up of schools all over this country and Carenage's turn came in 1995. The drawings were done and the contract went out for tender and the people in Carenage have their children in a school that is 100 per cent overcrowded. A school that was built for only the girls of Carenage, today, houses all the girls and

all the boys, so every classroom is divided into two and it is overcrowded by 100 per cent. If there is any school to be built in this country, on the basis of need, it is the Carenage Government School, and that wicked and vindictive Minister of Planning and Development went through the list of schools and took out the Carenage Government School, making no provision for it.

I am putting you on notice tonight and I am appealing to the Minister of Finance—

Hon. Member: It is morning.

Dr. K. Rowley: Thank you—when we get to the committee stage—I am appealing to your conscience, on behalf of the parents and children of Carenage, whose Member of Parliament supports school buildings elsewhere in this country. I am asking you to override this act of vindictiveness and re-allocate in the development programme the money for the Carenage Government School and allow the children of Carenage to go to a school which is not 100 per cent overcrowded.

Mr. Minister of Finance, the Minister of Planning and Development, I am a co-operative gentleman. I understand you have an office in the Twin Tower, but you prefer to go to the toilet on the 14th Floor. Wherever you are, I propose to prosecute this matter to the best of my ability with all the support of every parent or guardian and every child in Carenage to come to Port of Spain every day. I am putting you on notice. But I am sure it would not come to that. I am sure the Minister of Finance did not notice that. I am sure the Prime Minister did not know that, I am bringing it to their attention. I am sure the Member for Couva South did not know that so I am bringing it to his attention. *[Interruption]*

Mr. Speaker: Hon. Members! Hon. Members! Hon. Members!

You do have two minutes more to wind up.

Dr. K. Rowley: Thank you, Mr. Speaker.

Mr. Panday: You are threatening violence in this country. Do not start something you cannot finish.

Dr. K. Rowley: Violence? No, no. I did not threaten violence, Sir, I threatened representation. I am hired to do that.

Mr. Panday: You threatened violence.

Dr. K. Rowley: No. I did not.

Mr. Maharaj: The PNM formula.

Dr. K. Rowley: I did not. I have simply said and I repeat, that I intend to prosecute this matter to the best of my ability and I make my representation to the Minister of Finance and if that is how it is going to be, I am sure that good sense is going to prevail. I simply drew to your attention that this action where the people of Carenage have been singled out by the Minister of Planning and Development, by removal of that school from an on-going programme, and I am saying that is an error that can be corrected. That is all I am saying.

Mr. Assam: *[Inaudible]*.

Dr. K. Rowley: Why do you think your mouth is bigger than everybody else's? We have heard you, you are grovelling whole day. We see you. We know you are there.

Mr. Assam: I see you do not like the truth.

Dr. K. Rowley: Mr. Speaker, I have done enough to demonstrate that this budget which initially appeared to be an ear of corn, on closer examination turned out to be nothing less than arid. It is full of illusions. It is full of promises that cannot be realized. It is full of good intentions. It is full of the craft and wit of my colleague, the Minister of Finance. That is why I have no doubt that if adjustments are not made to the measures, the ten years of adjustment, the pain and sacrifice that we have made could be endangered. On the basis of the effects, not the intentions—on the basis of the effects of the illusions of this budget, the people of Trinidad and Tobago could find themselves starting that adjustment process all over again, if this budget comes to its logical conclusion. So I hope that enough has been said at this time on this side. The Members on the other side had nothing to say because most of them, for the first time in the last few hours, discovered the 1996 budget. I am sure now that they know what the budget is, they are in a position to take a different stance, and in committee stage we can try to work out something to correct some of these errors, put some of the jigsaw pieces back in place and at the end of the day, we might be able to salvage something from this budget and I am looking forward to the Minister of Finance convincing me that I should support him on this, his maiden presentation.

I thank you, Mr. Speaker.

The Minister of Local Government (Hon. Dhanraj Singh): Mr. Speaker, after this lengthy session, I wish to make my contribution on this, my first debate. May I congratulate my colleague, the hon. Minister of Finance, for presenting a

truly unifying, people-oriented budget which, among other things, aims to reduce the prevailing socio-economic disparities in Trinidad and Tobago as well as address many of the serious problems confronting us such as crime, poverty and rising food prices. Notwithstanding the social attributes of the budget, the Minister took various precautions to ensure that the necessary economic measures were introduced to further stimulate economic growth in 1996.

I draw the attention of this honourable House to the fact that the budget presented by the hon. Minister of Finance on Wednesday, January 10, 1996 will result in a surplus of approximately \$300 million on Government's fiscal operations. This is a remarkable achievement compared with the continuous deficits the PNM Government has recorded in its fiscal operations since 1992. Data taken from the Review of the Economy 1995 at Appendix 12 indicates that for the years 1992, 1993, 1994 and 1995, the deficits recorded were \$643.8 million, \$39.1 million, \$6 million and \$26.6 million respectively. In budgeting for a surplus, this Government of national unity would lay the foundation for increased savings, and by extension, increased investments.

The Leader of the Opposition raised questions about the ability of the Government to realize a surplus of \$300 million in its 1996 budget. How strange to hear this coming from the Leader of the Opposition. Is he saying that the country should not save, or try to save? I say this in the context of the experience of this country under the PNM Government. Just last year, they had a great chance to record a massive saving as a result of taxes obtained from the National Gas Company to the value of \$215.6 million, instead they opted to spend that money together with \$714.8 million obtained from transfers from the bloc account. This account represents an account in which debt payments were placed by state enterprises and public utilities when their debt obligations were rescheduled.

6.50 a.m.

A total of \$930.4 million of additional expenditure was incurred. What is more significant about that is that at the end of the year the PNM Government ended with a fiscal deficit of \$26.6 million. The PNM management of the economy therefore means spend, squander and waste.

Mr. Speaker, I will now deal with the impact of the budget on the Ministry of Local Government. The budget provides for an overall increase of \$45 million over the 1995 budget estimates. When disaggregated the allocation made for recurrent expenditure in 1996 increased by \$41.4 million from \$411 million in

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1995 to \$452.9 million in 1996. Similarly, the allocation for development programme increased by \$3.7 million from \$22.7 million in 1995 to \$25.9 million in 1996. This is a clear sign of the intention of this government of national unity to support local government and the empowerment of the people at the local level.

We at local government promise that this increase in allocation will be used to significantly improve our standard of local government as well as effectively meet the needs of the population. Most specifically, the increase will go a long way in providing the necessary funds for wages, increased access to goods and services and an enhanced development programme.

Many of us are aware of the problems that beset the various municipal corporations regarding the lack of funds to pay daily-paid workers as well as to purchase goods and services. In 1995, the number of working days for daily-paid workers was cut from 10 days to eight days per fortnight because the necessary funds were not provided by the then government.

The PNM government preferred to squander over \$200 million in developing the La Brea/Brighton Industrial Estate knowing fully well that the area suffers from pitch creep and abandoned leaking oil and gas wells. If only one tenth of those funds were made available to the ministry it would have been possible to provide the workers with full employment throughout the year. The PNM simply did not care about local government, and this is evident by the reduced budget allocation made to the ministry over the years whenever there was a shortfall in the national budget.

Mr. Speaker, you will agree that over the years several allegations have been made against our local government system. Some of these relate to the fact that, one, local government bodies were not working effectively. Two, local government bodies were not delivering the goods and services which legislation requires them to deliver. *[Interruption]*

Mr. Speaker: Hon. Members, it is becoming extremely difficult to hear the hon. Member. Hon. Members, I appeal to you, can we hear the Member in silence.

Hon. D. Singh: Thank you, Mr. Speaker. It is no doubt against this background that the NAR government in the period 1986—1990 evaluated the local government system and found several problems. Some of those, you would recall, were:

1. There was no clear definition of areas of responsibility between central government and local government bodies and the arrangement for management and funding of the operations of these bodies needed to be changed so that authority is placed in the hands of local government bodies.
2. Local government bodies were operating as departments of the Ministry of Local Government.
3. Local Government bodies were not equipped with appropriate professional staff.
4. Citizen participation and interest in local government were low and the status of local government members were in need of enhancement.

In order to address these problems, the Municipal Corporation Act, No. 21 of 1990, was passed whereby all existing pieces of local government legislation were consolidated into one piece of legislation and provisions were made for greater decentralization whereby the number of local government bodies was increased. Secondly, increased democratization. Thirdly, professional staffing at local government bodies; and fourthly, funding flexibility.

Purely this decentralization thrust which was initiated in the 1986—1990 period had not been continued. In fact, only symbolic gestures such as the completion of a strategic plan for 1992—1997 were attempted with minimal implementation.

Certainly, real and far-reaching actions on the part of the Government were clearly lacking and much more could have been accomplished. The PNM Government could have done the following:

- (1) Implement the changes necessary to make the Chaguanas Borough operate as a local government body with borough status; that is, providing appropriate staffing and the necessary mechanism for the collection of property and house rates and an appropriate planning accommodation for town hall.
- (2) Appoint the Chief Officers to the corporations as required by the Act.
- (3) Obtain presidential confirmation of market and abattoir bye laws.
- (4) Rationalize their organizational structure as corporations.

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- (5) Delegate functions from the Ministry of Local Government to regional corporations.
- (6) Involve the citizens in the management of local government facilities.
- (7) Implement the recommendations of the Boundaries Report.

It is instructive that the Boundaries Report was submitted to Cabinet on August 10, 1995 and withdrawn. No further action was taken by the previous government.

It is instructive to note also that during the 1994/1995 period the decentralization slowed even further.

It is to be noted that the last Minister of Local Government who incidentally carried the Minister of Works and Transport portfolio did not even mention anything pertaining to local government in his contribution in the 1995 budget debate.

7.00 a.m.

The UNC/NAR vision for Local Government is to empower our municipal corporations, through a process of meaningful decentralisation, to enjoy a substantial measure of autonomy in the conduct of their affairs. We see this as absolutely necessary if we are to make the best use of the allocated resources for serving communities and for expeditious decision-making.

Other potential benefits are that decisions can be arrived at more speedily; local or community needs can be more easily identified; the local community is more directly involved in setting priorities; the community has a greater knowledge of the existing problems and, therefore, is likely to find more effective and speedier solutions; the local community is likely to be more sensitive to its needs and problems; greater opportunities are provided for participation and involvement in democratic decision-making; greater opportunities are provided for the youth of local methods and techniques in solving community problems, that is, local experimentation. It encourages the development of the community spirit; it provides an opportunity for local people to administer their own affairs and for training in the art of government.

Mr. Speaker, when I assumed office in November 1995, Local Government was in a state of disorganization. Allow me to describe part of the scenario that I encountered. There were no Municipal Corporation Councils, as they had all expired on September 27, 1995. There were scavenging contractors who were

threatening to stop the collection of garbage unless their contracts, which dated back to 1991, were revived. The process for the delivery of truck-borne water had not commenced so as to ensure that people in rural areas got water early in the 1996 dry season.

Confusion concerning the issue of the daily paid cadre at municipal corporations—and the Member for Arouca North is aware of the problems. The Penal/Debe Corporation, which came into existence by the Municipal Corporations Act No. 21 of 1990, had not yet been provided accommodation and was being accommodated in a glorified shed at the Penal/Debe sub office. San Juan/Laventille Corporation was requesting better accommodation, since the unsafe condition has led to the Chairman's expensive gold chain being stolen. Other items had also been stolen, including fans. The Port of Spain Corporation was in dire need of funds to cater for a shortfall in respect of severance benefits and arrears of wages. Generally speaking, the Ministry had to operate on its own under the previous government, as it had an absentee minister, now in Opposition, who was only concerned with his works portfolio for obvious reasons.

Mr. Speaker, in all of the above situations I have been able to address or mitigate some of the problems outlined. It is common knowledge that my Government of national unity brought the Municipal Corporations (Amdt.) Bill, 1995 to this House, which led to advisory committees being established to advise the corporations on their activities until the next local government elections are held. The Ministry of Local Government has held discussions with scavenging contractors with a view to arriving at satisfactory rates of scavenging for the period 1996/97. It is anticipated that the matter will soon be satisfactorily resolved.

An extension of the 1995 truck-borne water distribution programme into 1996 has tentatively been agreed to, and an integrated approach with the Ministry of Public Utilities and the Ministry of Works has been devised to supply not only rural areas, but other areas in the country having a pipe-borne supply but getting inadequate or no water. The emphasis on water distribution in 1996 will be geared to ensure that the water paid for actually reaches the consumers. Moreover, the prices for delivery of such service will be under close scrutiny. The old ways of doing things will no longer be acceptable. [*Desk thumping*] Everyone, except the PNM, is aware of the racket whereby truck-borne water that is paid for by the state, is delivered for a fee, and in many instances not delivered

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at all. This Government is prepared to provide a water service that would satisfy the public. In this context, the Ministry is currently exploring a community approach to ensure the delivery of water, as well as to provide a monitoring function for the delivery of such service.

Accommodation for the Penal/Debe Regional Corporation has been obtained. I wish to put on record that this matter, which was outstanding for over three years, was addressed within two weeks of this new administration. The matter relating to the daily paid workers of the Municipal Corporation is being addressed; and in this regard manpower data for each corporation is being assiduously compiled. [*Interruption*]

Mr. Narine: It is here, but he is now compiling it?

Hon. D. Singh: Mr. Speaker, would you believe that the Head Office of the Ministry does not have data as to the number of workers employed in the various municipal corporations?

Mr. Imbert: Who told you that!

Hon. D. Singh: Would you believe that up to this day a manpower study regarding the employment needs of each corporation has never been done?

Mr. Imbert: Nonsense!

Hon. Dr. Singh: And my Friend there can attest to that fact.

Mr. Speaker, our local government system, today, has been left to decay. Our corporations suffer from multi-dimensional problems, and my predecessor can certainly substantiate this fact. He will recall that a local government seminar on "The Future of Local Government" was held in December, 1994 and several of these problems were highlighted at that forum. In fact, a Note to that effect was submitted to Cabinet in 1995. Some of the problems related to the following:

1. Human resource capabilities
2. Funding
3. Accountability
4. Organizational structure
5. Methods of delivery of local government services
6. Production levels

7. General systems and procedures
8. The relationship between the political and administrative arm of local government bodies
9. The relationship between local government bodies and the Ministry of Local Government
10. Planning and project management capabilities
11. Plant and machinery availability.

Mr. Speaker, some twelve months have elapsed since that seminar was held and absolutely nothing was done with regard to addressing some of the problems identified. In fact the Note to Cabinet on these problems was withdrawn and was never dealt with. I wish to report to this honourable House that this Government has already begun setting in train plans to confront these problems.

7.10 a.m.

In this respect the *Medium Term Policy Framework* for 1996 as it relates to local government was revised to include the following:

- (i) Empower municipal corporations with a substantial measure of autonomy to allow for expeditious decision-making.
- (ii) Strengthen the planning capability of the Ministry of Local Government and municipal corporations. A note has already been dispatched to the Cabinet.
- (iii) Improve the level of interpersonal relationships between and among political and administrative staff at municipal corporations.

In an effort to actualize the last objective it is planned that the Trinidad and Tobago Association of Local Government Authorities in conjunction with the Commonwealth Secretariat would host an induction training programme at all municipal corporations at the commencement of the next local government term. This programme is to strengthen the local government capacity in Trinidad and Tobago and in addition will provide knowledge, skills and tools and also create a greater awareness in the local government fraternity of the prevailing environmental conditions and its capacity to cope effectively with change.

The objective of this programme is to take the decentralization process further by -

- (i) Improving the quality of local government.

- (ii) Developing the capacity of the local government practitioner to interact and serve more effectively the communities which they represent.
- (iii) Fostering greater team spirit and understanding between the political and administrative arms in the management of local government corporations.
- (iv) Developing a more effective partnership among local government and central government and the wider community in fostering a stable democracy from a platform of equity, transparency, accountability and responsibility.

This Government supports the tripartite approach to solving its problems and in this regard a series of training seminars have been planned in which the recognized trade union has offered to assist in organizing these programmes jointly with the ministry with the aim of improving productivity and efficiency among employees of the municipal corporations.

In 1996 and beyond, there are other major matters we would have to address.

These include -

- a. The continued deterioration of the public markets with no clear policy directive as to how to solve this problem.
- b. The need to introduce recycling as a means to control the amount of garbage being produced in the country. From the available data it appears that the two major dumps in this country, namely the Beetham dump and the Forest Park dump will be filled by the year 2000. I hope that the Member for Laventille East is hearing the statement.
- c. The continued deterioration of the rural road system throughout the country.

As regards the public market problem, the ministry intends to establish a task force to examine the problems of inadequate structures for market operations, shortage of space, lack of cold storage facilities, among other things. I hope that the Member for Tunapuna take note of the resolve of this Government to solve the public market problem.

In the area of recycling, the Ministry is currently examining proposals from various organizations aimed at increasing the level of recycling of valuable waste, such as paper, plastic, bottles and various metals at the various dump sites.

With regard to the continued deterioration of the rural road system, the ministry will step up its programme to refurbish these roads. In this regard, the ministry will be working closely with the Ministry of Works to secure a fair share of the funds available from the five per cent road tax to be deployed in the refurbishment of the rural road system.

Finally, local government is about the devolution variant of decentralization as opposed to the deconcentration and delegation variant of decentralization and this Government is of the view that more autonomy should definitely be devolved to our local government bodies. However, if this autonomy is to be of any significant value, and be characterized by economy, effectiveness and efficiency, then these bodies must be empowered with the necessary prerequisites and institutional strengthening to make them viable and productive entities.

There are several areas where this empowerment would be critical. Some of these would no doubt relate to:

- (i) resources availability;
- (ii) human resource management;
- (iii) planning and project management;
- (iv) process and system restructuring;
- (v) productivity improvement methods;
- (vi) funding and financing mechanisms;
- (vii) procurement operations.
- (viii) organization structures;
- (ix) training;
- (x) preventative maintenance approaches; and
- (xi) management practices.

At the culmination of the budget debate, I will be meeting the chief executive officers, chairmen/mayors and senior ministry personnel to begin working on an immediate plan of action to deal with some of the above issues which continue to have a negative impact on our local government system.

In closing, I wish to state that it has been a pleasure to participate in this my first debate and I recommend the budget proposal of the hon. Minister of Finance to this House.

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I thank you.

Motion made and question proposed, That the House do now adjourn to Tuesday, January 16, 1996 at 1.30 p.m. [Hon. K. Persad-Bissessar].

Question put and agreed to.

House adjourned accordingly.

Adjourned at 7.17 a.m.