

THE  
**PARLIAMENTARY DEBATES**

**OFFICIAL REPORT**

IN THE FIFTH SESSION OF THE FIFTH PARLIAMENT OF THE REPUBLIC OF TRINIDAD  
AND TOBAGO WHICH OPENED ON NOVEMBER 27, 1995

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**SESSION 1999—2000**

**VOLUME 1**

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**HOUSE OF REPRESENTATIVES**

*Friday, October 8, 1999*

**1.30 p.m.**

*The House having assembled, and it being the first meeting of the Fifth Session of the Fifth Parliament of the Republic of Trinidad and Tobago, the Clerk of the House read the following Proclamation:*

REPUBLIC OF TRINIDAD AND TOBAGO  
No. 33 of 1999.

By His Excellency ARTHUR N. R. ROBINSON,  
T.C., O.C.C., S.C., President and Commander-  
in-Chief of the Republic of Trinidad and  
Tobago.

ARTHUR N. R. ROBINSON  
*President*

**A PROCLAMATION**

Whereas it is provided by subsection (1) of section 67 of the Constitution of the Republic of Trinidad and Tobago that each session of Parliament shall be held at such place within Trinidad and Tobago and shall commence at such time as the President may by Proclamation appoint:

Now, therefore, I, ARTHUR NAPOLEON RAYMOND ROBINSON, President as aforesaid, do hereby appoint the Red House, Port of Spain, Trinidad as the place at which the Fifth Session of the Fifth Parliament of the Republic of Trinidad and Tobago shall be held and 1.30 p.m. on Friday the 8<sup>th</sup> day of October, 1999 as the time at which the said Session shall commence.

Given under my Hand and the  
Seal of the President of the  
Republic of Trinidad and  
Tobago, at the Office of the  
President, St. Ann's, this 5<sup>th</sup>  
day of October, 1999.

**PRAYERS**[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon Members, I wish to advise that I have received communication from four Members of this honourable House who have asked to be granted leave of absence from today's sitting. They are the Member for Port of Spain South who has asked to be excused up to October 11, 1999; the Member for St. Augustine who is not well; the Member for Couva South who is out of the jurisdiction on official business; and the Member for Port of Spain North/St. Ann's West who has asked to be excused up to November 12, 1999. The leave of absence which these Members seek is granted.

*[Cellular telephone rings]***CELLULAR PHONES  
(USE OF)**

**Mr. Speaker:** May I just advise that anybody who has a cellular, such as has just rung in the House, ought to turn it off or take it outside, please.

**SESSIONAL SELECT COMMITTEES  
(APPOINTMENT OF)**

**Mr. Speaker:** Hon Members, I wish to advise that in accordance with Standing Order 71, there are some sessional select committees, the members of which are to be named today, as follows:

**Standing Orders Committee**

Mr. Hector McClean	Chairman
Mr. Ramesh Lawrence Maharaj	Member
Mr. Trevor Sudama	Member
Mr. Mervyn Assam	Member
Mr. Eric Williams	Member
Mr. Fitzgerald Hinds	Member
Mr. Barendra Sinanan	Member

**House Committee**

Mr. Ramesh Lawrence Maharaj	Chairman
Dr. Reeza Mohammed	Member

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Dr. Morgan Job	Member
Dr. Rupert Griffith	Member
Mr. Kenneth Valley	Member
Mrs. Camille Robinson-Regis	Member

**Committee Of Privileges**

Mr. Hector McClean	Chairman
Mr. Ramesh Lawrence Maharaj	Member
Mrs. Kamla Persad-Bissessar	Member
Mr. Chandresh Sharma	Member
Mrs. Camille Robinson-Regis	Member
Mr. Martin Joseph	Member

**Regulations Committee**

Mr. Hector McClean	Chairman
Mr. Harry Partap	Member
Dr. Vincent Lasse	Member
Mr. Ganga Singh	Member
Mr. Jarette Narine	Member
Mr. Roger Boynes	Member

The fourth announcement I wish to make is that a Supplemental Order Paper is being circulated and, in order to accommodate this, the sitting of the House will be suspended for 15 minutes.

**1.37 p.m.:** *Sitting suspended.*

**1.50 p.m.:** *Sitting resumed.*

**PAPERS LAID**

1. Report of the Auditor General on the accounts of the Mayaro/Rio Claro Regional Corporation for the year ended December 31, 1993.  
*[The Minister of Public Utilities (Hon. G. Singh)]*
2. Report of the Auditor General on the accounts of the Mayaro/Rio Claro Regional Corporation for the year ended December 31, 1994. *[Hon. G. Singh]*

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3. Report of the Auditor General on the accounts of the Mayaro/Rio Claro Regional Corporation for the year ended December 31, 1995. [*Hon. G. Singh*]
4. Report of the Auditor General on the accounts of the Mayaro/Rio Claro Regional Corporation for the year ended December 31, 1996. [*Hon. G. Singh*]
5. Report of the Auditor General on the accounts of the Tobago House of Assembly for the year ended December 31, 1992. [*Hon. G. Singh*]
6. Report of the Auditor General on the accounts of the Tobago House of Assembly for the year ended December 31, 1993. [*Hon. G. Singh*]
7. Report of the Auditor General on the accounts of the Caroni County Council for the year ended December 31, 1985. [*Hon. G. Singh*]
8. Report of the Auditor General on the accounts of the Caroni County Council for the year ended December 31, 1986. [*Hon. G. Singh*]
9. Report of the Auditor General on the accounts of the Government Employees' Provident Fund for the period of account January 01, 1998 to September 30, 1998. [*Hon. G. Singh*]

*Papers 1 to 9 to be referred to the Public Accounts Committee.*

10. Annual audited financial statement for the Tourism and Industrial Development Company of Trinidad and Tobago Limited. [*Hon. G. Singh*]

*Paper 10 to be referred to the Public Accounts (Enterprises) Committee.*

11. Draft Estimates of Expenditure for the year 1999/2000. [*The Minister of Finance (Sen. The Hon. B. Kuei Tung)*]
12. Draft Estimates—Details of Estimates of Recurrent Expenditure for the year 1999/2000. [*Hon. B. Kuei Tung*]
13. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the year 1999/2000. [*Hon. B. Kuei Tung*]
14. Draft Estimates of Development Programme 1999/2000. [*Hon. B. Kuei Tung*]
15. Draft Estimates of Revenue for the year 1999/2000. [*Hon. B. Kuei Tung*]
16. Public Sector Investment Programme—1999/2000. [*Hon. B. Kuei Tung*]
17. The Medium Term Policy Framework: 2000—2002. [*Hon. B. Kuei Tung*]
18. Review of the Economy—October, 1998 to September, 1999. [*Hon. B. Kuei Tung*]

**APPROPRIATION BILL**

Bill to provide for the Service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September 2000 [*The Minister of Finance*]; read the first time.

**The Minister of Finance (Sen. The Hon. Brian Kuei Tung):** Mr. Speaker, I beg to move, That the Appropriation Bill, 1999/2000 be now read the second time.

Mr. Speaker, permit me to begin my presentation of the 1999/2000 Budget with very sincere expressions of good wishes and goodwill, to you, Sir, and to my fellow parliamentarians on both sides of this honourable House, as well as those from the other place.

I wish also to extend similar sentiments of good wishes and goodwill to all the people of the Republic of Trinidad and Tobago. I wish as well indeed, to thank the members of the public service who have assisted me, particularly the members of the Ministry of Finance, in the preparation of this Budget. I imagine, Mr. Speaker, only a Finance Minister is aware of the devotion, dedication and the untiring efforts needed to prepare for this occasion.

Mr. Speaker, I wonder if I could crave your indulgence for just a second. Please allow me a moment to depart from my prepared text. Today, we are saddened at the passing of a gentleman who had dedicated over four decades of his life to the public service, an accomplishment probably unmatched by anyone in recent history. I speak, Mr. Speaker, of Mr. Frank Rampersad, who had the distinction of serving as Permanent Secretary under three Ministers of Finance.

During his tenure, Mr. Rampersad wore many hats. He was economic adviser to the Prime Minister; he was a special adviser to the Commonwealth Secretary General; he was a university lecturer; he was President of NIHERST; and chairman of several state boards. Prior to his passing, he was on special assignment to the University of the West Indies. His demise has surely created a void in the economic and academic landscape of Trinidad and Tobago.

Today, Mr. Speaker, Mr. Frank Rampersad will be especially missed for his scholastic, insightful, and moreover, clinical comments on the budget presentation. Let me, on behalf of the Ministry of Finance and my colleagues, extend my deepest sympathy to his wife and family.

Mr. Speaker, as I continue my prepared text, I wish especially to thank the numerous individuals and organizations whose recommendations have informed the preparation of this budget; this, Mr. Speaker, is their budget.

*Adjournment*

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An essential component of the annual budget exercise is the involvement of the national media. They cannot be faulted for the extent of their coverage, or the intensity of their scrutiny. I say this because their coverage has renewed the interest of the population in the budget presentation. That interest, from all reports, is greater this year than ever before.

I would like to think this is so because the last four budgets have impacted on the lives of the people of Trinidad and Tobago in a positive and meaningful way. Our budget statements have been directed to the man in the street, as well as to the grandmother in her home. Any contrast between budget presentations of the late 1990s and those of earlier periods must however go beyond brevity, clarity and user friendliness for the masses. The content, the strategy, the language and impact of the budget of this administration have been people-focused and people-centred. It was, and remains fundamental to us that the sole function of economic policy is to deliver results, which contribute to a better life for every man, woman, and child in Trinidad and Tobago.

Mr. Speaker, this administration was never under any illusion about how a government demonstrates that it cares. We believe that for a government to show that it cares, it must create the economic capacity to change the circumstances of the population for the better. This is what people expect of government. The reality of governing is that it takes money to provide education, medical care, medicines, water, street lights, roads, police protection, sporting facilities, assistance to the needy, school needs, and a decent standard of living to our senior citizens. The essential challenge we face is to so manage the economy that the Government would have the money, the means, to provide the services which the people expect and to which they are entitled.

In the time that we have been in office, under the limited financial resources available to us, we have succeeded in meeting the needs of the population. We have done so to an extent to which no previous administration has ever come close in a similar period and with similar resources.

Mr. Speaker, Trinidad and Tobago has achieved its current high ranking in the United Nations Development Programme's Human Development Index because we have used the resources available to us to deliver the greatest good to the greatest number of our citizens. One of the key measures of which Trinidad and Tobago is ranked by the United Nations Development Programme criteria is the extent to which we have succeeded in alleviating poverty. Mr. Speaker, the number of people in this country estimated to be living below the internationally

designated poverty line has been reduced by about 50 per cent during the term of this administration. [*Desk thumping*]

On this score, I must confess that I am always amused when the other side makes references to what they call the recent phenomenon of poverty. In a country in which at least 25—30 per cent of the population had been living below the poverty line for donkey's years: how can anyone possibly describe poverty as a recent phenomenon? Poverty, like crime, has always been with us, but I suppose it is possible that those on the other side just could not see it when they were in Government.

Mr. Speaker, the social safety net which alleviates the problems of the more vulnerable in our society is now stronger. We have managed the country's resources and the country's finances very well, and to the people's benefit. We have been good managers. The dividends have gone to the people, particularly to the poor and otherwise vulnerable in the society. We have done a good job doing the people's work. We have strengthened the economy; we have achieved continued growth; we have increased the country's foreign resources; we have reduced the foreign debt; we have reduced inflation to its lowest point in decades; we brought down the unemployment rate to its lowest level in a generation.

Mr. Speaker, today, Trinidad and Tobago is rated the acknowledged leader in many respects in the Caribbean and Latin America. [*Desk thumping*] We have achieved this position in an increasingly competitive world, in a period of globalization that has no special provisions for poorly managed economies; that is the environment, that is the arena in which we are operating. This is a time when small states can easily be left behind, as the entire world becomes a single global market, this is even more so now than at the start of the nineties. This makes the performance of this administration all the more remarkable.

Today, Trinidad and Tobago is in a position of financial stability, regional leadership, and economic growth that is higher than the global average. This should be a source of great pride to every man, woman and child in this country.

Mr. Speaker, let me highlight some of the major achievements of the Panday Administration over our 47 months in office in bringing Trinidad and Tobago to what it is today. When this Government assumed office in 1995, it was evident that there existed numerous and serious disparities and inadequacies in the economic and social conditions prevailing in the country, but this Government had a clear vision for Trinidad and Tobago. In this vision, the people of this nation will enjoy a standard of living consistent with the growing prosperity and economic potential of our twin-island state.

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More than that, we embarked on a programme to develop firstly, a society built on the concept of inclusion; secondly, a society in which fairness and equality of opportunity would prevail; and thirdly, a society in which the faith and confidence of our people would be restored.

Mr. Speaker, among the inadequacies we met when we took office was a high unemployment rate. The impact of such a high level of unemployment on the social conditions in the society, including crime, abject poverty and malnutrition, to name a few, was all too evident. Close to 90,000 people, particularly our young people, were without jobs. The unemployment rate stood at 17.2 per cent. We tackled the unemployment problem head-on.

I am pleased to report that according to the Central Statistical Office's latest figures, unemployment has declined to 11.7 per cent by the end of June, 1999. That has been the lowest rate in 15 years. *[Desk thumping]* Moreover, during the 1991—1995 period, Government's fiscal position was in deficit, averaging \$136 million on an annual basis. During the period, inflation peaked at 13.5 per cent.

Mr. Speaker, it is persons on fixed incomes, the unemployed, our senior citizens, and the poor, those least able to bear such a burden, who feel the heaviest impact of high inflation. We stopped that. According to the latest Central Statistical Office's figures, inflation stood at 2 per cent by the end of August this year.

**2.05 p.m.**

Mr. Speaker, we were faced with a situation where about 35 per cent of our people or approximately 400,000 individuals were still living under the poverty line. They had little hope and lived in despair. Many of these individuals included the elderly, who at that time were in receipt of an Old-Aged Pension and a Food Subsidy totalling \$356.15 cents per month. Mr. Speaker, in many instances, this represented the sole income of grandparents who were taking care of their grandchildren. Certainly, this was not enough to meet the basic needs of such a household.

One of the most challenging social problems was the spate of criminal activity. The crime situation was out of control and people lived in fear. Indeed, in 1995 alone, the number of serious crimes reported to the police amounted to 16,784.

Mr. Speaker, we also met an ailing health system. Our health care services suffered from a lack of co-ordination and management. This resulted in an absence of basic health facilities in our public hospitals and health centres. Furthermore, there was also an inadequate supply of prescription drugs at our public hospitals. The exodus of trained medical personnel was escalating. There were also long waiting lists for specialized medical attention at our public hospitals.



The education system was characterized by a number of schools in a state of disrepair; Teacher morale was low. There were insufficient school places to meet the needs of our children. The curriculum was not even relevant to the requirements of the current and future needs of the country. What this meant, was that the system was producing a number of people who were not equipped to contribute towards a modern technological and competitive economy!

We also met a demoralized public service, with public officers who were hard-pressed to meet their financial commitments. Wage negotiations had not been settled and arrears of emoluments had not been paid.

Moreover, we met a situation in which a significant proportion of our people did not have access to a reliable and efficient water supply nor proper sewerage facilities. In 1995, a mere 8 per cent of the population received a continuous supply of water seven days a week.

Given the enormity of the challenges facing us, we knew that our task was not going to be a simple one. We were conscious of the need to put people at the centre of the developing process, and to ensure that the greatest good would come to the largest number of people in the society.

However, we also recognized that we had to secure the stability of the economy. This dictated that we formulate and implement policy measures that would do a number of things:

1. ensure the sustainability of the growth process;
2. promote a greater diversification of the economic base;
3. establish a dynamic and energetic business climate conducive to both local and foreign investment;
4. keep inflation to a minimum and under control,
5. create employment opportunities;
6. increase the country's foreign reserves to better allow us to cope with unforeseen events; and
7. maintain the stability of the exchange rate.

Equally important, we had to develop policy measures and implement projects that would improve the social well-being of our people. We therefore embarked on strategies to:

1. arrest the crime situation;

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2. improve the ailing health system;
3. provide more reliable services such as water and electricity;
4. improve the education system to produce a workforce which can contribute to a modern economy;
5. address the shelter needs of the population;
6. reduce poverty and make the cost of living more affordable.

Mr. Speaker, we took the view that this was by no means a short-term task. And therefore, there could be no quick fix.

Our first order of business was to address the crime situation. This Government assumed office with the commitment to reduce the number of serious crimes. We stand firm in our commitment. We have implemented tougher crime legislation and a systematic approach to policing, to the criminal justice system and to prison reform. We have taken a comprehensive approach to the problem and have attacked crime from all angles.

We signed the Extradition and Maritime Counter Drug Operations Treaty with the United States, and amended pertinent legislation to make it enforceable. We also enacted the Jury (Amdt.) Act; the Indictable Offences Act; the Administration of Justice (Miscellaneous Provisions) Act; the Coroner (Amdt.) Act. Furthermore, we strengthened the physical and institutional infrastructure that supports the administration of justice system. We completed work on the Magistrates' Courts of Chaguanas, Rio Claro and Mayaro. Refurbishment works have commenced on nine existing magistrates' courts, and work is in progress on new courts in Sangre Grande, Port of Spain, and at the Arima Judicial Complex.

We also addressed the infrastructure needs of the police service. Seven new police facilities were commissioned at Patna, Pinto Road, Longdenville, St. Barb's, Erin, Four Roads and Ste. Madeleine. New police divisional headquarters were also established at San Fernando and Sangre Grande. The mobility of our police force has been greatly improved with the purchase of 100 jeeps, acquired to service the E 999 Rapid Response System. Consequently, police officers can now be on the scene of a crime within a matter of minutes.

Our approach to the reform of the health sector was designed to address the needs of the sector in a systematic way. We sought to develop a comprehensive and wide-ranging system of health care. The emphasis was placed on preventative measures and the efficient delivery of primary health care.

In 1996, we signed the Inter-American Development Bank loan agreement in the sum of US \$192 million for a seven-year Health Sector Reform Programme. As part of this programme we have completed substantial improvement works at the San Fernando and Port of Spain General Hospitals. Mr. Speaker, our Casualty Departments have been upgraded. Our citizens can now have access to improved health care and attention. We commissioned the Mayaro District Hospital. Refurbishment works had been carried out at several health centres at Ste. Madeleine, Matelot, Toco and Grand Riviere. Construction work has commenced at the Couva District Health Facility.

We recognized that we needed to train personnel capable of maintaining the health system and providing the necessary services. During the past three years, some 90 persons were trained at the University of the West Indies as district health visitors. These health visitors provide much-needed community service to the sick and ailing who are unable to journey to the health centre or nearest hospitals.

Prior to 1996, delivery of public utility services, particularly water, was way below accepted standards. We implemented several projects specifically aimed at improving water delivery and increasing the reliability of the service.

The Leeward Rural Tobago Water Supply Project has enhanced the reliability of supply to several areas along the North Coast of Tobago. The La Fillette Water Supply Project has benefited persons living in remote areas along the North Coast of Trinidad. Our short-term civilization plan resulted in:

the laying of 104 kilometres of pipeline, which has provided about 200,000 persons with a more reliable service;

approximately 25,000 persons in the Chatham and Las Lomas areas benefiting from the Water Supply and Sewerage Rehabilitation Project;

the ongoing South Water Project providing a supply to such areas as Penal, Debe, Siparia, Granville, Cedros, Chatham, Guayaguayare, Icacos, Moruga, Point Fortin, Fyzabad, Princes Town and Mayaro.

Mr. Speaker, we have increased the total production by 30 per cent. Today, as many as three times the number of people or 29 per cent of the population receive a continuous supply of water seven days a week.

In 1998, we introduced a Hardship Relief Fund for pensioners and the less well off among us. Under this programme, eligible persons now pay 25 per cent less per annum on their water bills. Almost 7,000 persons are currently benefiting

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from this facility. We have taken the decision to limit retroactive billing to one year.

Mr. Speaker, we recognized that a modern telecommunications sector is essential to the demands of a growing information-driven economy. From 1996, the network capacity has been increased by almost 100,000 lines. The cellular network has also been expanded. Over the period, 34 new areas such as Tabaquite, Flanagin Town, Caparo, Mamoral, Carlsen Field, Point Cumana, Bloody Bay, and Englishman's Bay in Tobago received a telephone service for the very first time.

**2.15 p.m.**

Mr. Speaker, in these times of tremendous development in information technology, a computer in the home has fast become a necessity rather than a luxury. It is my view that the acquisition of skills, knowledge and innovation by our people is an imperative. To achieve this the education process must be comprehensive, starting with preschool education all the way through to tertiary and adult education. Accordingly, we immediately sought to restructure and revolutionize the education system. We initiated the construction of 23 new early childhood care centres, 14 of which have been completed. A further 16 centres have been refurbished at Valleyline, Williamsville, Morne Diablo, Belmont, Caroni, Clarke Rochard, La Pastora, Rancho Quemado, Piparo, La Brea, Lion Hill, Cumana, Arima, Strange Village, Tabaquite and St. Barbs. All these centres have been appropriately finished and equipped.

The need for qualified teachers to execute this programme is also being met. To date, some 79 teachers have received pre-service training and 46 teachers received in-service training. At the primary school level Government has achieved the long-awaited policy of standardization of textbooks. This policy has brought financial relief to low-income households.

Mr. Speaker, a number of low-income families have benefited from the school-based book loan scheme financed by the World Bank. Contracts were awarded in August for the supply of the required books. Some 53,000 students stand to benefit from this programme this year.

We have also catered for the nutritional needs of our children with the steady expansion of the School Nutrition Programme. Permit me to remind this honourable House that meals are provided on a needs basis as determined by the principal of the school.

This Government has been at the forefront in bringing our population into the technology age. We believe that the countries which will be successful in the next century are those that are at the forefront of information technology and can manipulate this technology to their own benefit. Therefore, we removed the import duties on computers and related software. We provided interest-free computer loans to public servants, teachers and other public officers. We introduced computers into the school system on a larger scale. Our ultimate aim is a minimum of, at least, one computer per class in all our primary and secondary schools. This we plan to accomplish through a participatory approach involving the private sector.

I am pleased to inform this honourable House that as part of agreements we signed with a number of foreign oil and energy based companies, we secured the provision of 33 computer laboratories in secondary schools. Over the three-year period, BPAmoco, Repsol, Conoco and Shell have supplied approximately 1,500 computers to a number of our primary and secondary schools. In addition, we have awarded contracts for the supply of over 700 computers to 35 secondary and primary schools. Some 43 of our secondary schools now have fully equipped computer laboratories, and this is only the first phase of our project.

Mr. Speaker, we are also in the process of establishing computer-aided instructional systems and instructional management systems in over 500 primary schools. To date, we have trained approximately 500 primary school teachers in computer literacy. We have trained 55 teachers from secondary schools under the Information Technology Teacher Training Programme conducted at the University of the West Indies. We have also expanded the number of national scholarships to our secondary school population from 50 to 60 annually. This is in addition to scholarships given by the National Examinations Council and the Incentive Awards given to schools on the basis of results of the 14-plus and CXC examinations.

In 1996 we secured the permanent appointment of over 300 temporary and assistant teachers, and created 184 new posts of temporary teachers. We followed this up in 1997 with the permanent appointment of 815 teachers and assistant teachers in our primary schools and 867 in our secondary schools. To facilitate the expansion of the adult education programme Government opened six additional adult education centres in Tabaquite, Jordan Hill, Aranguez, Arouca, Carapichaima and La Brea.

Mr. Speaker, a major component of our human development agenda is the provision of shelter. This involves providing affordable homes in sustainable

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settlements to persons in the lower income groups. When we assumed office in 1995, the notion of “shelter for all” did not seem to be one of the priorities of the previous administration. We were faced with a situation where a number of our citizens were occupying land without authority. We decided to provide these persons with some level of security and to regularize their tenure to the land. [*Desk thumping*] Therefore, we moved aggressively to execute the Squatter Regularization Programme. By October 1998, we enacted legislation which, firstly, protects certain squatters from ejection from state land by providing them with Certificates of Comfort issued by the Land Settlement Agency, which facilitated the acquisition of leasehold titles by both squatters and tenants in designated areas, and which provide for the establishment of land settlement areas.

Mr. Speaker, over 150 areas throughout Trinidad and Tobago have been identified in the Act as designated areas. Areas such as Diego Martin, Belmont, Arouca, St. Augustine, St. Joseph, Caroni East, Couva, La Brea, Point Fortin, Fyzabad, Mayaro and in Castara and Buccoo in Tobago. Government instituted a highly subsidized interest rate structure for lending to income owners with low and irregular sources of income. In addition, the income ceiling of \$6,000 under the Approved Mortgage Companies Programme has been removed. The loan balance for mortgages has also been increased to reflect the increase in property prices.

The National Housing Authority construction programme, which involves the construction of 263 units on six sites, is now 90 per cent complete. The Aranguez Villas and the El Dorado Gardens projects have also been completed under the Accelerated Programme of Housing Construction. This was done at a cost of about \$30 million.

Mr. Speaker, we believe that effective poverty reduction must incorporate policies and programmes that are geared to alleviating the plight of the poor, the socially displaced, the street children, the homeless and the elderly. We view seriously our responsibility to the less fortunate in our society; to demonstrate this the Government has raised the level of old age pension three times since 1996; today, it stands at \$620. Furthermore, 8,000 more senior citizens now have access to old age pension benefits as a result of increasing the income-qualifying ceiling to \$7,440 per annum.

Prior to this, the social sectors in the economy were forced to bear an enormous share of the adjustment process. One particular group of persons ignored in the past was the permanently disabled. Government, therefore,

established the Disability Assistance Grant for persons 40 years and over who are permanently disabled and unable to earn a livelihood. As part of the programme to empower the vulnerable groups in our society, Government instituted the Micro Enterprise Training and Development Programme. This programme provides grants to public assistance recipients, probationers and victims of domestic violence. These grants are to be used to establish micro enterprise ventures. The programme also provides training to increase the employability of these victims.

We needed to be balanced in our approach to the management of the affairs of the country as we attempted to address the social condition. We had to ensure that we kept the economy on track and further strengthen the growth process. In addressing these economic issues, our first task was to review the task regime. We simplified the tax system, lowered the tax rates and reduced the overall tax burden on taxpayers. Accordingly, we introduced measures, which have benefited every taxpayer. We reduced the corporation tax rate from 38 per cent to 35 per cent. We lowered the effective corporation tax rate on small business from 38 per cent to 20 per cent. We reduced the business levy from half per cent to quarter per cent, and exempted all new businesses from the payment of this levy for the first few years of their operation.

We increased the business levy threshold from \$150,000 to \$200,000. We removed the tax on dividend income. We reduced the tax on interest income from 15 per cent to 10 per cent, and broadened the base foreign currency accounts. We increased the value added tax threshold from \$100,000 to \$200,000, thereby exempting small and micro businesses from the payment of value added tax. We reduced the number of tax brackets for individuals from four to two. Today we can boast of only two tax brackets: under \$50,000 and over \$50,000.

We reduced the tax for individuals earning higher incomes from 33 per cent to 28 per cent, and from 38 per cent to 35 per cent. We increased the basic tax allowance for individuals from \$12,000 to \$20,000 per annum. It was estimated that this measure benefited close to an additional 20,000 individuals. We allowed individuals earning \$50,000 or less per annum the option of not filing a tax return. This measure affected approximately 125,000 taxpayers. We removed the value added tax on a number of basic food items.

We went even further when we undertook the more difficult task of rationalizing the structure and level of Government's expenditure. This involved the implementation of a number of measures designed to monitor and manage Government expenditure more closely. We maintained a high standard of fiscal

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discipline. We ensured that we received value for money, and became more efficient in our allocation of public moneys.

Mr. Speaker, these measures have been supported further by the pursuit of monetary policy that ensures price and exchange rate stability. We recognize that sustaining a good economic environment can occur only in the context of a stable and well-managed financial system. Against the backdrop of financial system crises occurring elsewhere, bank regulation in Trinidad and Tobago has generally conformed to the core principles of effective bank supervision, which has been articulated by the Basle Committee.

The strength of our economy and our financial system is also demonstrated by the fact that some of our Caricom neighbours including Belize, Dominica and Barbados, have raised U.S. dollar loans from our local banks. During this time, Government undertook a number of initiatives to increase the number of employment opportunities. We established a National Training Agency to encompass all relevant training programmes towards the development of a comprehensive training policy. We increased the level of the Public Sector Investment Programme during the first three years of our tenure, with an implementation rate of approximately 65 per cent.

We reintroduced the employment allowance which was removed in 1989 and increased the allowance from 150 per cent to 200 per cent of wages actually paid in respect of every additional worker employed. We introduced 150 per cent tax deduction with respect to expenses incurred by an employer in the training or retraining of employees. We decentralized the Unemployment Relief Programme (URP) to provide for greater efficiency, effectiveness, relevance, accountability and great community participation. We expanded the URP with additional provision for the training of women. To date, approximately 5,000 women have been trained in basic construction skills and supervision.

Mr. Speaker, complementary to these initiatives, we established a National Energy Skills Centre as a partnership between industry and Government. The centre prepares employees for work in the energy sector and industry in general. The centre commenced operation in February 1998 with three technology centres at Macoya, Couva and Point Fortin. Two additional centres have been established at Point Lisas and Ste. Madeleine. To date, approximately 11,000 persons have been trained in the areas of carbon steel welding, advanced welding and industrial electrical installation, with more than 80 per cent of these graduates having been placed in very lucrative jobs. Approximately 4,921 secondary school principals, teachers and students have been provided with computer literacy training.



In addition, a special programme has been established for female welders and fabricators, with 24 young women having benefited from the programme at the Point Fortin centre. The centre has gained recognition and accreditation in the United States and Germany, so that these graduates can now access employment in the international labour market.

Mr. Speaker, we have implemented several measures with a view to facilitating expansion of the small business sector. We increased the asset value threshold for qualification as a small business by the Small Business Development Company from \$500,000 to \$1.5 million. This led to an additional 72 small businesses qualifying under the facility. The Small Business Development Company Leasing Limited was established to provide equipment required by small businesses at more affordable rates. We granted a tax exemption under interest, income and loans made by the financial institutions under the Small Business Development Company Regime, to fund projects in the small business sector.

We increased the loan guarantee level of the Small Business Development Company Limited from a maximum of \$150,000 to \$250,000, with the result that 26 additional companies benefited from the loan guarantee.

Mr. Speaker, this Government is fully aware of the contribution the tourism sector can make in realizing our human development objectives. In order to realize the employment creation potential of this sector, we acquired, through the Tourism Industrial Development Company Limited, 49 per cent of the equity in the Tobago Hilton. The employment creating capacity of tourism is ably demonstrated when we compare the new Atlantic LNG plant with the Tobago Hilton Hotel.

### **2.30 p.m.**

Mr. Speaker, the employment creating capacity of tourism is ably demonstrated when we compare the new Atlantic LNG Plant with the Tobago Hilton Hotel. The Atlantic LNG Plant at a cost of US \$950 million has generated 160 permanent jobs. The Tobago Hilton Hotel at a cost of US \$50 million will employ at least 290 persons on a permanent basis. This is in addition to other opportunities for job creation via linkages with various sectors throughout the economy including agriculture, transportation and handicraft.

Mr. Speaker, these are just some of the measures we have put in place over the last four years. And they have worked well. All the relevant economic indicators are positive and moving in the right direction. Over the last three years,

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world output increased annually by 2.5 per cent. In Trinidad and Tobago real GDP increased annually on average by 3.5 per cent. *[Desk thumping]*. Furthermore, the Central Statistical Office in its most recent estimates projects that real GDP will expand by 6.9 per cent in 1999, *[Desk thumping]* and by 4.8 per cent annually over the medium term.

Perhaps what is even more significant is that unlike four years ago, this economic performance is more evenly distributed. This has been led by strong growth in the petrochemical, manufacturing, construction and tourism sectors.

Our inflation levels have been contained and compare favourably with our major trading partners. As I indicated before, as of August this year, inflation has been running at an annual rate of approximately 2 per cent. We expect that this rate will be maintained over the medium term.

The unemployment rate, as I have said, has also been declining steadily. From an average rate of 18.8 per cent for the four-year period prior to 1996, unemployment has declined to its lowest level in 15 years and, as I said, at the end of June, the rate stood at 11.7 per cent.

What all of this means, Mr. Speaker, is that a number of additional jobs created over the last three years amounted to 35,100. And perhaps, what is even more important is that we have reduced the level of unemployment among the youth from 20 per cent to 15 per cent. *[Desk thumping]*

Furthermore, our performance on the external capital market is unsurpassed in the region. Over the last four years we have successfully raised a total of US \$680 million on the international bond market at competitive rates. Only two weeks ago, we raised US \$230 million on the international market.

Mr. Speaker, it is most gratifying and encouraging to acknowledge the continued investor confidence in our economy. This, particularly at a time when similar emerging market economies are experiencing difficulties in raising finance on the international market on any terms.

This confidence is further reinforced with a leading international credit rating agency, Standard and Poor's, endorsing Government's management of the country's economy and its financial affairs. Following a rigorous review of our economic performance, the country's international credit rating was upgraded from a speculative grade to an investment grade. *[Desk thumping]*

I believe, Mr. Speaker, with such a rating, financial resources will now flow to the country through a wide range of quality investors on much better terms and

conditions. Similarly, our private sector companies can now access international financial market at more favourable terms and conditions because of the rating now enjoyed by our national debt. This, therefore, widens the resource base of Trinidad and Tobago for financing investment, growth and development.

Trinidad and Tobago can now boast that it enjoys one of the highest credit ratings in the Americas. [*Desk thumping*] Our debt service commitments have been lowered also from 15 cents to 9 cents on every export dollar earned. This allows us to devote more resources to education, health, social services and road improvements for the benefit of all.

Mr. Speaker, because of the heightened confidence in our economy, we have had record inflows of foreign investment, particularly in the energy and gas sector. Over the last four years, foreign direct investments totalled approximately US \$3 billion. It should be no surprise, therefore, that our country is now being acknowledged as the preferred regional destination for foreign investment in the region. This investment has not only fuelled growth in the energy sector, but equally important, has facilitated a build-up in the country's foreign reserves from US \$652 million in 1995 to US \$1,184 million in 1998. [*Desk thumping*] At the end of 1999, this is expected to increase further to US \$1,330.4 million being enough to pay for 5.2 months of imports.

Mr. Speaker, for the first six months of the last fiscal year, we have had to weather the fiercest economic storm ever for the decade, but weather it, we did. We ensured that we did not go the route of some of our neighbours who ran huge deficits, reneged on debt commitments, and resorted to the International Monetary Fund for borrowed funds.

Mr. Speaker, some of those on the other side predicted that we would be forced to bring a new budget to this honourable House, or submit this country to the hardship of another fund programme. We demonstrated, however, that with proper management and fiscal discipline, we could always get the job done.

Mr. Speaker, I am happy to report to this nation that, notwithstanding a shortfall of \$871 million in revenue, we have kept our expenditure in check and lived within our means. The result is that we contained the fiscal deficit at about 0.1 per cent of GDP, or \$55 million. If we were to do otherwise, it would exact a very heavy price on the population, and this Government is not prepared to act irresponsibly.

Mr. Speaker, Trinidad and Tobago's economic successes since 1996 have not gone unnoticed by the international community. The executive board of the

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International Monetary Fund at its meeting on June 9, 1999 to conclude the Article IV Consultation with Trinidad and Tobago stated, and I quote:

“...commended the authorities for their pursuit of sound macroeconomic policies and for the progress achieved in implementing a number of structural reforms, which had helped achieve sustained growth with low inflation, a steady decline in external debt, and falling unemployment. Moreover, they noted that an investment boom in the energy sector was expected to spur economic growth and diversification of exports, as well as strengthen the fiscal revenues over the longer run.”

More recently, in August, 1999, the International Monetary Fund again reinforced this endorsement in its follow-up staff visit.

Mr. Speaker, as we embark on our journey into the next century, it is important that we frame our 1999/2000 budget within the perspective of an all-embracing strategy to achieve sustained development. Most countries are preoccupied with the Y2K problem. For us, it is much more than that, it is how we manage in the year 2000 and beyond. In order to become more competitive in the global marketplace in the decades ahead, our strategy must pay particular attention to:

- policies which promote sustained economic growth and development.
- priorities for allocating public expenditure, for example, health and education.
- an institutional framework which expands employment opportunities and productive assets.

Mr. Speaker, of greater significance, we must implement strategies to do a number of things. Firstly, develop our population into well-educated, healthy and highly motivated individuals; strengthen all the institutions that form the pillars of our democratic society; use technology as a driving force behind economic progress; redesign our development programmes to maximize the productive use of labour; and finally, provide technical assistance in employee adjustment programmes aimed at bringing minimum dislocation to the most vulnerable in the society.

Mr. Speaker, I have highlighted some of the policies and measures that this administration has put in place over the last four years. I have also demonstrated the results and the benefits that have been derived. It is now widely acknowledged that we have positioned the economy on the right path for sustainable growth. We

have brought improvement to the quality, and standard of life of the people of Trinidad and Tobago. We have done a lot, but we have a lot more to do.

Mr. Speaker, I now turn to the agenda for the fiscal year 1999/2000, "A Blueprint for Human Development and Sustainable Growth." [*Desk thumping*] Our objective is clear. It is to bring the social and structural aspects of development in line with our growing economy. Our first area of concern therefore, has been to address the problem of crime.

The incidence of serious crime continues to be a threat to the safety of the individual, the business sector, especially the small entrepreneur, and the security of the nation overall. This remains a priority on our human development agenda. There is a pressing need for innovation to curb the crises in many communities.

Both the level and nature of crime in this country and the changing character of our communities require that the police adopt more effective methods to deal with the situation. We must support our protective services. We will work with them to improve the quality of recruitment and management. This will allow them to do the job that they are trained to do, required to do and are expected to do.

Any solution to the crime problem in Trinidad and Tobago must recognize a number of things. They must recognize that proper parenting and schooling are essential. The Trinidad and Tobago Police Service must play a vital role. The community must become a full partner in achieving public safety and our protective services must be modernized using current technology.

Mr. Speaker in this fiscal year, we will start a number of projects aimed at improving the police service. I have therefore allocated \$10 million towards the further development of a computer system for the police service. The nine divisional headquarters and the 70 police stations located throughout the country will then be fully computerized. This technology will give all police stations ready access to the database at Police Headquarters.

In a further effort to strengthen the capability of the police, Government proposes to acquire an automated fingerprinting and identification system. The new technology will bring faster identification and should increase the conviction rate. Complementary to this, Government will install a modern telecommunication system, designed to accommodate all aspects of our national security needs. The response capability of the protective services will be strengthened by the expansion of the E-999 Rapid Response System to all areas of Trinidad and Tobago. The system will include the fire service.

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We will continue to improve accommodation to the police service. We will establish five new facilities at Gasparillo, Arouca, Penal/Debe, Rio Claro and Tunapuna. Caroni, San Juan and San Fernando will be refurbished. In addition, the Fraud Squad Narcotics Bureau building will be commissioned.

Mr. Speaker, the increasing incidence and severity of domestic violence is of grave national concern. We, in this Administration, view this with utmost seriousness and we have therefore moved to tackle this scourge on all fronts.

To assist victims of domestic violence and other kinds of domestic abuse, we propose to establish a number of centres in close proximity to police stations. These would provide safe havens for victims who turn to the police for assistance. These centres would be located in Nariva/Mayaro, Victoria, St. George East, Caroni, St. Andrews/St. David, St. Patrick and St. George West.

As part of our drug interdiction effort, we propose to equip the Coast Guard with the necessary facilities to enhance its air and marine capability. The reconstruction/refurbishment of the Coast Guard's facilities at Staubles Bay, Harts Cut, and Galeota will be completed this year. We also plan to equip one C-26 Aircraft—recently donated to the Coast Guard by the US Government—with electronic surveillance equipment. This facility is expected to improve the level of marine surveillance and the control of drug interdiction.

Mr. Speaker, it is not possible to attain true human development if we do not have access to quality health care. Government's first priority therefore, is to provide the necessary infrastructure and support services to achieve this objective.

We will undertake capital works at the San Fernando General Hospital to provide at least 60 additional beds, thereby addressing the problem of overcrowding at the hospital. Design and pre-construction works will commence this year at the new Point Fortin and Scarborough hospitals.

Government would work with non-governmental organizations and community-based organizations to establish a community care programme. This programme will provide care services within a community setting to children and adults instead of hospitalizing them.

In order to expand access to primary health care, we will construct health centres at Princes Town, Moruga, Cedros, Penal, Cumana, El Socorro, St. Helena and San Raphael. In addition, we will renovate and refurbish health care centres at St. Joseph, Cunupia, Tabaquite, Claxton Bay, Williamsville, Rio Claro, Toco, Laventille and Las Cuevas.

Mr. Speaker, some of these health centres will provide a full range of clinical services. They will have a full complement of doctors, nurses and pharmacists eight hours a day and five days a week. More than 320,000 persons will now have access to new and upgraded health facilities and quality service.

Mr. Speaker, many people suffer as a result of the long waiting lists for specialized medical treatment at public health care institutions. We intend to address the backlog of cataract cases, prostate and urgent paediatric surgeries. This will be a collaborative effort between public and private health care practitioners. We have allocated the sum of \$8 million to meet these requirements.

**2.45 p.m.**

Mr. Speaker, we intend to support our health care programme and improve service delivery by training nurses, nursing assistants and district nurses health visitors. We intend to train, 200 emergency medical technicians to start the National Emergency Ambulance Services. We will also train practising physicians in family medicine and health care through a two-year part-time programme provided at the University of the West Indies.

Mr. Speaker, health care workers who have now opted to be employed by the Regional Health Authorities have been provided with a pension plan. A formal contract between the Trustees of the Pension Plan and the Regional Health Authorities has been signed. I propose to make an initial contribution of \$35 million to the Regional Health Authorities Pension Plan as a start-up provision.

Mr. Speaker, to achieve our health care agenda, Government will spend approximately \$1 billion this year. This sum includes recurrent expenditure of \$828 million and capital expenditure of \$142 million. *[Desk thumping]*

Mr. Speaker, our efforts in health care must be complemented by modern sewerage facilities and a reliable supply of potable water and electricity.

In the year 2000, the Water and Sewerage Authority will continue the implementation of its water project areas from Arouca to Port of Spain, and from Chaguanas to San Fernando. We will also continue implementation in such areas as Moruga, Point Fortin, Fyzabad and Chatham, and along the east coast to Guayaguayare.

In addition, we will upgrade the Navet and Caroni/Arena Water Supply System; refurbish a number of existing wells in these areas and construct a new water treatment plant in Penal. In addition, the Water and Sewerage Authority will refurbish approximately 150 kilometres of transmission and distribution

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pipelines in the southern and central areas. This will increase water production by 81 million litres per day.

Mr. Speaker, the Authority intends to undertake extensive work to rehabilitate the major water sources in the island, and improve its transmission and distribution network.

Mr. Speaker, we recognize that the services sector relies heavily on easy access to efficient telecommunications. To ensure that users have access to a reliable and affordable service, Government has taken the decision to introduce a measure of competition in the sector. We are evaluating proposals to allow other cellular providers into the local market. We have put public utilities such as water, electricity, telephones and the post office on a forward thrust.

Mr. Speaker, in the world today, the key to maintaining the country's competitiveness, relevance and social welfare is education. As we prepare for the 21<sup>st</sup> century this Government will take action to equip everyone to meet the needs of the knowledge-based global environment.

Mr. Speaker, in order to empower our people to meet the challenges of the next century, we intend to pursue an all-embracing approach to education. We will continue our early childhood care and education programme with the establishment of nine additional centres. These centres will be at St. Julien, Las Lomas, South Diego Martin, Siparia, Cumaca, Esperanza, Mafeking, La Fillette and Carnbee/Mt Pleasant Tobago.

Mr. Speaker, another of our priorities is the expansion of our education programme to include the child at every age. Therefore, we will complete six new primary schools in Beetham Estate, Malabar, Edinburgh, Santa Rosa, Maloney and Mon Desir. In addition, 14 primary schools will be rebuilt during the fiscal year. These schools will be built in areas such as El Socorro, Nariva, Sobo, Iere, Caratal, Harmony Hall, Mt. Pleasant in Toabgo and Icacos. The completion of these schools will provide 7,622 additional school places and will employ an additional 232 teachers.

Mr. Speaker, every child is entitled to receive a quality education and be assured a place in our secondary school system. To meet these objectives, we will accelerate our Secondary Education Modernization Programme with loan funding supplied by the World Bank. This programme will also facilitate the establishment of Local School Boards. It will also enable the removal of the shift system in our secondary schools.



Mr. Speaker, as part of the programme of assuring every child a secondary school place, we will complete the construction of the Cunupia Secondary, Tranquillity Secondary and Lakshmi Girls Hindu College, this year. These schools will provide another 975 additional places and will require 51 teachers.

Furthermore, we will construct 10 new secondary schools at Waterloo, Valencia, Brazil, Debe, Tableland, Biche, Matura, Blanchisseuse, Coryal/Cumuto and Manzanilla. These schools will be constructed at a total cost of \$138 million. They will provide additional places for 5,250 students and will require 308 teachers.

Mr. Speaker, to deal with the problem of crime and vandalism in our schools, we will provide the necessary security at 124 schools.

Another concern of this Government is the nutritional requirements of our children. We believe that the School Nutrition Programme needs to be refocused and linkages established with other sectors of the economy, particularly agriculture. We propose, therefore, to engage a consultant to review the programme in terms of its nutritional relevance as well as its relationship with other sectors of the economy.

Our evolving adult education programme will be expanded with the construction of five new centres at Curepe, Mount Hope, Siparia, Mayaro and Preysal.

Mr. Speaker, Government proposes to spend a total of \$1.4 billion on education in this fiscal year. Of this amount \$805 million is allocated for the payment of salaries to teachers. This is but the first step in modernising our education system. *[Desk thumping]*

To address the nation's housing needs, we intend, in collaboration with the private sector, to implement a number of measures, including protection of property rights and the provision of adequate housing finance, including low interest mortgages.

In order to safeguard and protect the tenure and property rights of squatters, the Land Settlement Agency will continue to issue Certificates of Comfort and provide Deeds of Lease. Phase one of infrastructure development works on squatter sites in designated areas will be accelerated. Some 84 squatter families on four of the sugar industry labour welfare committee settlements will be regularized.

Mr. Speaker, in order to facilitate the acquisition of home ownership, all new apartments constructed by the National Housing Authority will be sold. The sale

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of existing rental units will commence as soon as the maze of logistical, legal and financial issues have been sorted out.

You will recall, that last year Government introduced a structure of subsidized interest rates administered by the Trinidad and Tobago Mortgage Finance Company. This was implemented to facilitate the acquisition and/or construction of houses. To facilitate this financing, Government subsidized the cost of a \$100 million bond issue by that company.

To increase the availability of low-cost funds for the programme, Government will subsidize a further Housing Bond issue by the company in the amount of \$200 million.

Mr. Speaker, the construction and infrastructure development works to be undertaken by the National Housing Authority this year will include the following:-

- (1) 250 Lots and houses, in joint venture with the private sector, at Couva North, Phase IV; and
- (2) Development and distribution of 190 fully serviced housing lots at Brothers Garth Road, Bien Venue and Orange Field Housing Developments.

This arrangement will be complemented by the provision of \$30 million in financing for a shelter construction programme. Remedial works will continue as well at Sangre Grande, Rio Claro, Debe, Morvant and Pleasantville.

Mr. Speaker, this Government acknowledges that the benefits from development are not always equitably or fairly distributed, and such a situation can lead to the marginalisation of large segments of the population. I have already indicated our strategy for dealing with this issue and the programmes and measures we have put in place over the last three years.

More specifically, during the course of this fiscal year, we will make the Probationers' Hostel at Couva and the Remand House for young offenders at Aripo operational. This will be supported by a Literacy 2000 Project for young probationers and a halfway house for young adults leaving children's institutions, who have no alternative accommodation.

**2.55 p.m.**

Mr. Speaker, greater interaction among members of our communities will strengthen the social fabric. We will, therefore, provide communities the means to

deal with the challenges of poverty and drug abuse. Accordingly, we propose to expand and intensify our community development programme. The emphasis will be on the upgrading and construction of community centres and the provision of training to enhance employability.

This programme will have five components. It will involve the upgrade of Terminal Malls to accommodate consignment outlets for goods produced under the handicraft programme. It will involve the refurbishing and re-equipment of 53 community centres; the provision of entrepreneurial training programmes in communities throughout the country; the implementation of the retiree adolescent partnership programme to train junior secondary school students in the care of the elderly; and finally it will involve the start of construction of 23 additional community centres.

Mr. Speaker, this Government recognizes that senior citizens on fixed incomes are among the most vulnerable groups in our society. I can confidently say that we have improved the circumstances of pensioners. I have already alluded to the increases in old age pensions, the revision of the National Insurance System and the ongoing pension reform exercise. In this fiscal year I propose to deal with the plight of retired Government pensioners. [*Desk thumping*] It is unfortunate that Government pensioners have not had an increase in their pensions since 1986. Accordingly, I propose to increase the basic pension of all public officers who retired on or before December 31, 1998.

Public officers who retired between January 1, 1996 and December 31, 1998 will receive an increase of \$75.00 per month. Approximately 4,000 retired public officers will benefit. [*Desk thumping*] Public officers who retired on or before December 31, 1995 will receive an increase in their monthly pension as follows. Individuals in receipt of a pension of over \$3,500.00 per month will receive an increase of \$150.00 per month. [*Desk thumping*]. It is estimated that 352 retirees will benefit from this. Individuals in receipt of a pension between \$2,501.00 and \$3,500.00 per month will receive an increase of \$175.00 per month. [*Desk thumping*] This will benefit 1,099 retired public servants.

Individuals in receipt of a pension between \$1,501.00 and \$2500.00 per month will receive an increase of \$200.00 per month. [*Desk thumping*] Some 6,021 pensioners will benefit. Individuals who are currently in receipt of a pension between \$1,001.00 to \$1,500.00 will receive an increase of \$225.00 per month. [*Desk thumping*] It is estimated that 2,775 persons will benefit from this. Individuals currently in receipt of a pension of less than \$1,000.00 per month will

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receive an increase of \$250 per month. [*Desk thumping*] It is estimated that 5,307 retired public servants will benefit from this measure.

Furthermore, Mr. Speaker, I estimate that this measure will cost an additional \$35 million per year. Furthermore, the COLA payments to retired public officers are frozen at the level paid at the time of their retirement. This has resulted in five different levels of cost of living allowance being applicable to Government pensioners. I propose to rationalize and simplify this system. Government pensioners who retired on or before December 31, 1998 will have their existing cost of living allowance consolidated with the revised basic pension. Mr. Speaker, I also propose that those persons who benefit under the Widows and Orphans pension scheme be afforded the same facility. This measure will cost an additional \$6 million annually.

So you see, Mr. Speaker, this increase in pension payments for consolidation of COLA will benefit some 21,500 Government pensioners including members of the Industrial Court, legislators, diplomats, public officers, teachers, widows and orphans, police officers, fire officers, prison officers, members of the Defence Force, port authority pensioners who held offices which fell within the public service and railway pensioners. This measure will take effect from January 1.

One of the outstanding issues that needs to be addressed with expediency is the plight of depositors affected by the failure in 1984 of Southern Finance Company Limited. Since that date, the depositors have been unsuccessful in getting back their deposits or any interest that had accrued. It was unfortunate that at the time there was no system in place to reimburse the depositors any portion of their money. The Deposit Insurance Act did not come into force until 1986. These depositors, who are mainly retired persons, have been deprived of their property for 15 years. They have been offered no hope for recovery by previous administrations. I propose to bring some measure of relief to these depositors. This Government intends to deal with this situation once and for all. I have directed the staff of the Ministry of Finance to work with the Central Bank to determine an *ex gratia* payment to these depositors as a measure of relief.

Mr. Speaker, our young people are the future of this country. They must have a central role in nation building. In addition to all of the existing programmes geared specifically to the development of our young people, we intend to expand the support given to Servol and other non-governmental organizations. Further, we will strengthen the emphasis on our young entrepreneurs through such measures as enhanced support for micro-business, small business and skills training.

Mr. Speaker, sport development is integral to national development. Our plan for sport includes the establishment of a well-structured institutional framework; the provision of scholarships for our sportsmen and sportswomen and the development of quality facilities at all levels. We propose, therefore, to establish by the end of this year a national centre for sport administration at the Hasely Crawford Stadium. Initially the centre will provide administrative stations for 18 of the 45 national sporting organizations during its first phase. Government will award an annual three-year scholarship worth up to \$250,000 in the name of Ato Boldon. We will commence construction of a multi purpose sport facility which will cater for the needs of over 20,000 individuals in the Mayaro, Rio Claro region. [*Desk thumping*]

Mr. Speaker in the year 2001 Trinidad and Tobago will be hosting the FIFA under 17 World Youth Championships. To facilitate this international event four new stadia will be constructed at Malabar, Couva, Union Park and Bacolet in Tobago while the Hasely Crawford Stadium will be refurbished. Each of these new stadia will accommodate up to 10,000 persons. Sport management professionals drawn from the graduate programme for sport management at the University of the West Indies will manage these facilities.

Our secondary and primary schools will benefit enormously from new stadia. For example, the stadia at Malabar will serve the entire St. George East educational division which consists of 87 primary and 21 secondary schools. The Union Park Stadium will facilitate the sporting activities of the 72 primary schools and 20 secondary schools in the area. The Couva Stadium will serve the Caroni educational division which comprises 66 primary and 8 secondary schools. The Bacolet Stadium in Tobago will meet the needs of 33 primary and 8 secondary schools in the Tobago educational division.

Furthermore, Mr. Speaker, the communities themselves will have year-round access to these facilities including the option for night sports. Maybe equally important is the fact that the strategic location of these facilities will rejuvenate the Southern Games and the Eastern Games but it will also facilitate the introduction of a Central and Tobago Games. Mr. Speaker the \$348 million investment in these stadia must be underscored. These stadia will provide our sportsmen and sportswomen with the proper facilities to prepare for international competition.

In August of this year Government established the National Enterprises Limited. It is a company designed specifically to hold Government's shareholding interests in TSTT, the Telecommunications Services of Trinidad and Tobago

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Limited, the National Flour Mills Limited and Trinidad Nitrogen Company Limited, among other state enterprises. National Enterprises Limited is also intended to be the vehicle for Government's divestment programme. Allow me to offer some explanations.

National Enterprises Limited is the holding company for Government shareholding in profitable state enterprises. Government proposes to transfer its shareholding in state enterprises to National Enterprises Limited. In return for these shares National Enterprises Limited will issue shares of equivalent value to the Government. The Government would then sell part of its shareholdings in National Enterprises Limited to the public. This will facilitate an even wider ownership of shares by the general public to the creation of further opportunities for asset building.

Furthermore, at least 90 per cent of the income earned by National Enterprises Limited after deduction of expenses will be paid out to shareholders. The sale of some of the shareholdings in National Enterprises Limited this year will achieve a number of basic objectives.

- (1) Government will continue to have a controlling interest in the state enterprises themselves;
- (2) it will facilitate widespread national ownership of profitable state enterprises;
- (3) it will provide opportunities for wider public participation and asset building;
- (4) it will transfer a stream of dividend income from the profitable state enterprises to individual shareholders in National Enterprises Limited;
- (5) it will deepen and widen the activity on the local stock exchange. It monetizes Government's interest in the state enterprises sector; and finally, very importantly, Mr. Speaker,
- (6) it will expand employee share ownership in these enterprises.

It is intended, Mr. Speaker, in fiscal 1999/2000 that 30 per cent of the Government's shareholding in National Enterprises Limited will be divested in a phased basis on the stock exchange. These shares will be offered in the following priority, firstly to employees of the associated companies, next the Trinidad and Tobago Unit Trust Corporation, next the National Insurance Board, next individual investors who are nationals of Trinidad and Tobago, next pension and other trust funds, credit unions and co-operatives and finally companies registered

in Trinidad and Tobago. I wish to point out that the shares offered to employees in the associate companies will be sold at a discount. In a related context, Mr. Speaker, the remuneration structure in the public sector has a number of imbalances and inequities. I will shortly establish a task force to examine the current remuneration structure particularly as it relates to our teachers and nurses.

Several attempts have been made to transform Caroni (1975) Limited into a diversified, financially viable entity. However, the company continues to be a financial and debt burden on the Treasury. Recognizing the urgent need to deal with this situation, Government has initiated steps to bring about the complete restructuring of the company during the 1999/2000 fiscal year. This implementation plan is geared to the phased private sector participation operations of Caroni. This will be facilitated through the restructuring of Caroni into a holding company and the creation of strategic business units and subsidiaries. To ensure the success and smooth implementation of this initiative, Mr. Speaker, we will engage in continuous communication and consultation with the various stakeholders in the company, particularly the employees and their representatives. *[Interruption]*

**Mr. Speaker:** Order please.

**Sen. The Hon. B. Kuei Tung:** Mr. Speaker, as a twin-island nation we believe that the issues relating to Tobago are just as important as those relating to any part of Trinidad. I cannot but over-emphasize this fact. We have long recognized the local peculiarities of Tobago within this unitary state. It was for this reason that this Government adopted the Tobago House of Assembly Act No. 40 as the basis for developing the legitimate aspirations of Tobagonians. Since this Act has been in effect, there has been continuous dialogue at both the technical and political levels. A number of areas have been identified for amendment by both sides and we expect to address them.

Mr. Speaker, we must recognize that this is an evolutionary process. It will require time, patience and goodwill in order to bring about the maximum benefits to everyone.

We are forever mindful, Mr. Speaker, that collaboration is the key to good governance. There must always be full co-operation among Government, the Tobago House of Assembly and the citizens of both islands. It is in this context that one can see the timeliness of the new Tobago Hilton which is nearing completion. This will be the first hotel in Tobago to be part of an international group. The Tobago Hilton is due to be completed in January 2000, at a cost of approximately US\$50 million. The complete resort includes 200 hotel rooms, 74 condominiums, 57 villas and an 18-hole golf course. This project has provided

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increased employment opportunities for the people of Tobago. Already, approximately 1,200 jobs both on and off-site have been created.

However, Mr. Speaker, the project has experienced its share of problems, most of which are linked to the absence of adequately skilled workers. Despite being the largest private sector employer in Tobago, the project has not been able to attract the necessary skills in the island. This is due to the acute shortage of professionals, such as engineers and other trained and skilled labourers.

In an effort to rectify this problem, Mr. Speaker, Government has approved the construction of a Tobago Skills Development Centre in Roxborough. Construction is expected to cost \$11 million. The centre will provide training in the construction and services sector. It will cater to an annual intake of 100 trainees in its daytime programmes, and up to 120 persons in its evening programmes. In addition to technical and vocational training, this centre will offer courses in computer literacy, mathematics and science. In a similar vein, the Tobago Campus of the Hospitality and Tourism Institute is providing trained personnel in the tourism industry.

As part of a World Bank-funded programme, Government will construct five primary schools: in Scarborough, Delaford, Buccoo, Castara and Ebenezer; as well as one secondary school at Mason Hall. This is expected to cost a total of \$20 million. [Desk thumping] Schools at Golden Lane, Bethesda, Mount Gomery and Belle Garden will also be refurbished and extended at a cost of \$2 million. Government has also allocated \$1.75 million for retrofitting work to the Scarborough Library, which suffered structural damage in the earthquake of 1997.

Furthermore, Mr. Speaker, Government has approved a project to introduce music, drama and fine arts in the schools of Tobago. The Ministry of Tobago Affairs, in collaboration with the Tobago House of Assembly and the Ministries of Culture, Community Development and Education have developed this project. Beginning this year, schools in Tobago will be equipped on a phased basis with musical instruments such as steel pans, violins and guitars. The requisite music tutors will be supplied to those schools that do not currently have them.

Another project, which has immediate and long-term benefits for the youth of Tobago, is the construction of a \$75 million stadium at Bacolet. This is to be used, as I said before, during FIFA's under-17 World Youth Championship in the year 2001. After the tournament, the stadium will be used by the people of Tobago to host other major sporting events.



In terms of physical infrastructure development, the Government will allocate funds for the construction of roads in Tobago. The construction of 13 kilometres of road between L'anse Fourmi and Charlotteville is due to begin in the new financial year. This is to be funded jointly by a grant from the European Union and Government. Another important roadway under construction is the Belmont Road, which provides a link between the Northside and Windward roads. These two projects are expected to cost \$23 million.

Mr. Speaker, over the past few months, commuting between Trinidad and Tobago has been challenging for the citizens of both Tobago and Trinidad. Government intends to rectify this with the restoration of an efficient inter-island ferry service. The Port Authority of Trinidad and Tobago has already completed a study on the sea transportation link between Port of Spain and Scarborough. The Port Authority will be authorized to implement the recommendations of this study. Therefore, in this fiscal year, we will ensure that there is adequate sea transport between Trinidad and Tobago. From all of this, Mr. Speaker, it is obvious that the concerns of the people of Tobago remain the concerns of this Government.

Mr. Speaker, we believe, that no true national development can take place without preserving our history and culture. Culture explains the competitiveness of countries and the relative success of ethnic groups within countries. We have produced internationally acclaimed achievers. Mr. Speaker, an understanding of culture is essential if we are to commercially exploit our unique heritage in the performing arts. It is essential if we are to reduce lawlessness and increase productivity.

As part of our all-embracing approach to the promotion of culture, we will begin work this year on establishing a National Folk Theatre. Phase 1 of this project is aimed at training community tutors in the performing arts; supporting community arts programmes; upgrading of facilities for theatre; and development of a National Folk Database. In addition, the long awaited Carnival Institute will come on stream within the next six months. Mr. Speaker, I have allocated \$24.5 million for the performing arts and this includes Carnival, steel pan, chutney and calypso; and the various cultural groups.

Mr. Speaker, we will continue to place emphasis on the tourism and agricultural sectors. These are two critical sectors in our Diversification Programme, particularly given their potential for job creation.

In the tourism sector, we place added emphasis on the yachting industry, and on the expansion of the hotel industry and ancillary facilities. Our initiatives in

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these areas are working. The number of stay-over visitors is expected to increase further to over 377,000. This represents a 42 per cent increase over the last four years. A total of 36 hotels projects have been approved. These are expected to provide an additional 1,400 hotel rooms at an estimated cost of \$1.2 billion.

In the agriculture sector, we have targeted 9,000 acres of state agricultural land for regularization and distribution over the next two years. In addition, farmers will continue to be provided with 30-year Standard Agricultural Leases. I have budgeted \$14 million for this programme this year.

We propose also to undertake a number of on-farm irrigation and drainage projects at a cost of \$35 million. These projects will be supported by the rehabilitation of agricultural access roads and the construction of six additional retail markets. Approximately \$20 million have been allocated for these projects.

Too often in the past, Mr. Speaker, our farmers have been distressed, financially and emotionally, by the sudden loss of crops and livestock as a result of flooding. To alleviate this perennial problem, I propose to establish, this year, an Agricultural Disaster Relief Fund to provide much needed support to our farmers in the event that they are affected by natural disasters. [Desk thumping] The details of the operations of the fund will be worked out. I have allocated \$15 million to start this fund. [Desk thumping]

While our focus will be on the human factor in the development process, we nevertheless, have the continuing responsibility to ensure that the economic environment is conducive to sustaining economic growth.

We will therefore continue our policy of fiscal discipline, and we will live within our means. However, Mr. Speaker, we will retain the flexibility to further our human development objectives. This requires the further strengthening of our revenue collections and the appropriate management of our expenditures.

Mr. Speaker, since we anticipate a reduction in the number of tax returns, the Board of Inland Revenue will refocus its activities towards revenue collection. In support of this initiative we will firstly upgrade the information technology of the Board of Inland Revenue; as well as we will consolidate the joint audit function between the Inland Revenue Division, the VAT Office and the Customs and Excise Division.

Mr. Speaker, our revenue objectives will be furthered by vigilant monitoring and management of our expenditures to maximize the available benefits. We will also ensure that the Public Sector Investment Programme delivers on its promises.

Mr. Speaker, in arriving at a budgeted oil price of US\$16.00, I have, as usual, been cautious and conservative. [Desk thumping] Should we realize higher oil revenues than budgeted, I propose to set up an Oil Price Stabilization Fund out of any additional revenues. [Desk thumping] This will provide a cushion against any unexpected drop in oil prices, and will strengthen the public sector savings effort.

Mr. Speaker, we have already addressed Phase 1 of the Pension Reform Exercise. We made the National Insurance System more relevant to the needs of its clients by increasing the benefit and contribution levels. We increased the benefit payments under the Old Age Pension Programme. We have harmonized the National Insurance System with other private pension plans and the Old Age Pension Programme.

Phase II of the Programme will provide for the introduction of a defined contribution pension system. It will also provide for individual pension accounts, and the greater mobility and transferability of these accounts. It will provide for increased supervision and regulation *of the* industry. This phase of the programme will be implemented in the next fiscal year.

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

In addition, Mr. Speaker, I plan to bring to Parliament in this fiscal year, new employee share ownership legislation. Mr. Speaker, our fiscal stance will be supported by a monetary policy aimed at containing inflation and maintaining the stability of the exchange rate.

Mr. Speaker, there has been a blurring of boundaries with respect to the business activities of financial institutions. In order to ensure the continuing soundness of our financial system, we intend to put in place a single regulatory agency to supervise and regulate the entire financial system. This would include, among others, the banks, non-bank financial institutions, insurance companies, brokerage houses and other institutions carrying on business of a financial nature.

Over the years, the energy sector has made a major contribution to economic growth and to Government revenue. In the past, this contribution by the sector has been driven primarily by the oil sub-sector. The success of our diversification programme has led to an increasing contribution by the gas sector to economic development. Unfortunately, this sub-sector's revenue contribution to the Treasury has not kept pace, therefore, during the course of the year, we propose to consult with a number of energy experts on this issue. They will assist Government in formulating a new policy for the sector, particularly as it relates to

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the issue of royalties. Mr. Speaker, I expect that this policy review could lead to the establishment of more appropriate structures that could generate additional revenue which could be used for the future development of all our people.

In the new fiscal year, we expect to realize \$13,156 million in total revenues. This is some \$2, 498 million more than we would have received in the last fiscal year. Our budgeted expenditure amounts to a total of \$13,072 million and includes a Public Sector Investment Programme of \$1,884 million. We, therefore, expect to generate a surplus of TT \$84 million, equivalent to 0.2 per cent of Gross Domestic Product. We expect to increase this surplus position to approximately one per cent of GDP over the medium-term.

Mr. Speaker, I have stated that our primary objective will be to address our needs in health, education, water and roads—to name a few. However, we cannot deny the significant benefits that would be realized through the number of new employment opportunities that will be created directly from construction activity, and other linkages with the rest of the economy.

With a new Capital Development Programmeme of \$1.8 billion dollars, we estimate that approximately 15,000 new jobs will be created directly by this programme and, this will be in addition to the jobs arising from the expansion and upgrade of the social infrastructure.

Mr. Speaker, I have said that the people of Trinidad and Tobago are at the heart of this Budget, just as they were in the four previous budgets that I had the privilege to present to this honourable House. I have again used every available means to ease the squeeze on the poor and the otherwise very vulnerable of our society. You see, I have imposed no new taxes and I have increased no taxes. *[Desk thumping]* I have neither increased value added tax, import duties nor excise duties, nor licences, nor fees. I have sought to protect the long-term interests of the people of Trinidad and Tobago.

I have not even attempted to present the population with an election year bag of goodies. To change a set of policies that have worked so well for our country would have been, among other things, a betrayal of the professionals whose insight and hard work have influenced our fiscal and economic policies.

Mr. Speaker, this, then, is the nation's 1999—2000 budget. It initiates the second phase of the plan we put in place in November, 1995. That plan has worked well for the people of Trinidad and Tobago. We have generated growth in the economy every single year of our tenure and established sustainable growth. We contained inflation and created policies which generated over 35,000 new

jobs. We reduced the unemployment rate to the lowest level in two decades. We built up the country's foreign reserves, even in the face of low oil prices and significant revenue shortfalls. We reduced the country's debt service burden. We balanced our budgets through strict fiscal discipline and we lived within our means.

Mr. Speaker, the programmes and projects we have announced today mark the next stage in the implementation of our plan for moving this country into the 21<sup>st</sup> Century. It focuses greater attention and resources on the structural, social and human agenda. That is what this budget is about. It is about addressing the crime situation in order to bring a greater sense of safety and security to our citizens; meeting the health care requirements of the nation and eliminating the waiting list for specialist surgical procedures for our children and senior citizens. It is about making more prescription drugs available at our health institutions, reducing over-crowding at our hospitals and retaining our health care professionals.

It is also about providing a secondary school place for every child. It is about ensuring the security of the children in the schools, reducing the level of poverty, providing our young people with skill and opportunities and improving the quality of life of our pensioners. It is about fostering community values and a sense of belonging and strengthening the relationship between Trinidad and Tobago for the benefit of all citizens of Trinidad and Tobago. Mr. Speaker, it is also about creating new jobs.

What we seek is a good life for every citizen in a safe, fair stable and unified society. Our ultimate goal is the development of our greatest resource—our human resource. This, then, Mr. Speaker, is the Blueprint for Human Development and Economic Growth for Trinidad and Tobago as we enter the new millennium.

Mr. Speaker, the debate will resume on Friday, October 15, 1999 at 1.30 p.m. I beg to move. [*Desk thumping*]

#### ADJOURNMENT

**The Minister of Public Utilities (Mr. Ganga Singh):** Mr. Speaker, I beg to move that this House do now adjourn to Friday October 15, 1999 at 1.30 p.m.

**Mr. Ken Valley:** I ask the leader that we start the debate on Wednesday.

**Mr. Speaker:** You will know that if there is a question about that, one could go behind the chair and discuss this. You could have indicated to me that you wanted to speak to the Member on that, but you know that is not part of the record. I am prepared to stand it down for a short while so that you could talk to him. [*Interruption*] Order! Could we have order in the public gallery!

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*Question put.*

*The House divided:*      Ayes 17      Noes 14

AYES

Singh, Hon. G.

Panday, Hon. B.

Persad-Bissessar, Hon. K.

Lasse, Dr. The Hon. V.

Griffith, Dr. The Hon. R.

Sudama, Hon. T.

Maraj, Hon. R.

Rafeeq, Dr. The Hon. H.

Job, Dr. The Hon. M.

Khan, Dr. F.

Nanan, Dr. The Hon. A.

Partap, Hon. H.

Mohammed, Dr. The Hon. R.

Singh, Hon. D.

Ramsaran, Hon. M.

Sharma, C.

Ali, R.

NOES

Valley, K.

Manning, P.

Rowley, Dr. K.

Imbert, C.

Robinson-Regis, Mrs. C.

Narine, J.

Hart, E.

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James, Mrs. E.

Bereaux, H.

Joseph, M.

Sinanan, B.

Boynes, R.

Hinds, F.

Nicholson, Miss P.

*Question agreed to.*

*House adjourned accordingly.*

*Adjourned at 3.30 p.m.*