

*Leave of Absence*

*Wednesday, December 2, 1992*

**SENATE**

*Wednesday, December 2, 1992*

The Senate met at 10.00 a.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. President:** Hon. Senators, I have granted leave to Sen. Ramcharan Gosine to be absent from today's sitting of the Senate. This is because of the death of his father-in-law that occurred yesterday.

On behalf of Members of the Senate and on my own behalf, I extend to him and other bereaved members of his family, our condolences.

I shall ask the Clerk of the Senate to send an appropriate letter of condolence.

**PAPERS LAID**

1. Public Sector Investment Programme 1993—1995. [*The Minister of Planning and Development (Hon. Lenny Saith)*]
2. Annual report of the National Insurance Board for the year ended June 30, 1992. [*Hon. L. Saith*]

**APPROPRIATION BILL  
(BUDGET)**

[SECOND DAY]

*Order read for resuming adjourned debate on question* [December 1, 1992]

That the bill be now read a second time.

*Question again proposed.*

**Sen. Roi Kwabene:** Mr. President, fellow Senators, the Bill before this Senate, that is, the Appropriation Bill of 1993, can be described as an unusual attempt to stem the dive of the economy of Trinidad and Tobago. The Government of the day seeks to suggest that its proposed *Medium Term Policy Framework, From Stabilization to Growth, 1993—1995* and its *Public Sector Investment Programme 1993* are the antidotes for the current ailments suffered by our citizens.

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One would have thought that the Government of the day would have utilized this period, the current budget debate, to analyze its performance in office for the past year. Unfortunately, it has nevertheless come to this Senate with a budget accompanied by other papers. As such, my contribution today will concentrate on the obvious social dislocation and haemorrhaging that will ensue as a result of what can be best described as the sleepers in the budget.

There are hidden costs in this budget that need to be paid attention to. I think it is very important for our people to take into consideration that we need to be more aware of the acute situation as it exists—and I speak, unfavourably, about the debt crisis that is confronting our beloved land—despite the reality that those who are responsible for educating the masses in Trinidad and Tobago about the situation confronting us have actually relinquished such an opportunity. They have relinquished any responsibility whatsoever in educating the masses of people.

A promise was made in the last budget debate in 1992 by the hon. Minister of Finance that they would undertake to have some sort of programme to educate the people of Trinidad and Tobago on the current crisis that confronts us. Unfortunately, to date, nothing has been done. As I recall, assurances were given to Members of this Senate that such an exercise would have been undertaken. To date, all that I have seen on the media is a rebuttal to the protest or the demonstration or the educational programme that has been undertaken by the TTMA and the other Caribbean manufacturing associations on television. I am not too sure if the Ministry of Information is responsible for such video footage but they, in fact, are defending this whole issue of trade liberalization and saying that it is in the interest of the people of Trinidad and Tobago. The public needs to be aware, and, to date, as I have indicated earlier, nothing has been done.

As a Member of Parliament, I have had the unique opportunity to contribute in many debates in this Senate during the past year. I have been equally favoured—if I may refer to it as being favoured because it is a very disgusting situation—to witness the stripping of our dignity as an independent people in this beloved land of ours.

The approach of this Government has been to impose structural arrangements to satisfy the conditionalities of foreign lending agencies who are, in fact, the architects of our future in our beloved land. What I am saying is that we are not in control of this beloved land, unfortunately, because of the disgusting, ruthless manner in which the economy has been dealt with by previous Governments—I

am speaking about the "A Team", "B Team" and "C Team"—and today we are no better off.

**Hon. Senator:** The "C Team"?

**Sen. Kwabene:** Yes, the modern PNM. It is a sad day for as we are all aware, certain legislations have already been passed and it appears that our citizens are caught in a tail-spin, not being able to catch their balance.

**10.10 a.m.**

Mr. President, it is pertinent at this juncture to quote the words of the founding father of this political party, the Rt. hon. Dr. Eric Williams, formerly Prime Minister of Trinidad and Tobago, now deceased. This is an excerpt from an address he gave at a party convention in 1980 and I want you all to pay particular attention to what he said then:

"The party Chairman, honourable ministers, members of the general council, observers and delegates to the convention. The date is January 24, 1956. The crowd had flocked to the University of Woodford Square to celebrate the birth of a child,"

**Sen. Ojah-Maharaj:** You are a PNM child!

**Sen. Kwabene:** "the child was the PNM, we gave it for its perspective, five major responsibilities and obligations—

- (1) Down with colonialism;
- (2) Democratic vistas;
- (3) National control of our natural resources and the people's sector;
- (4) Nationhood; and
- (5) The spirit."

Mr. President, this is almost 36 years ago. In fact, we are approaching the 37th year and what has transpired since then? We have witnessed, as I have indicated earlier, a stripping of our dignity as a people. If we were to apply the understanding even further, for those of you who do not understand clearly where I am coming from. If I were a child born on January 24, 1956—the Members on the opposite side indicated that I am a PNM child; well I am a PNM child that ran away from home, because my parents did not provide the same responsibility that we were supposed to uphold.

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I am not afraid to identify with the youth of this country, Mr. President, not at all. It is a sad day. Mr. President, to date, we have witnessed a new stance by the so-called PNM. They have not only changed their image but they have actually changed their name. It is the name-sake of "you know who". They should change the name and objectives of this political organization and show their true face to the masses of Trinidad and Tobago, instead of striving to fool all the people. They cannot fool all the people all the time.

They have continued to mislead this House and the public on the reality of how we are caught in this debt trap. As such, as I indicated earlier, we are not the architects of our own destiny anymore. Mr. President, this hon. House has not been spared, for despite the fact that we, the Members of the Opposition, are involved in debate here, concerning this budget, we can exercise no true or real authority. We have no real input into the policy of this Government. This is why our beloved political leader keeps asking over and over for these people to become accountable. However, to date we have not seen such.

Mr. President, even if we were to go against the proposed measures of this political party, which is now the Government of our beloved land, the majority will always have it. They are the majority in the House and the "ayes" usually have it. Parliament, therefore, has been used as a rubber stamp for the past year; and we are looking forward to another year when, unfortunately, the same may be the case.

Mr. President, social and economic development is about people; it is about harnessing the human resource; it is about utilizing the precious natural resources of the land. If we want to be successful in our beloved country, we should take note of such a reality.

The Appropriation Bill seeks to provide for the service of Trinidad and Tobago, a certain sum of money; and it appears that the policy of this regime, as on its agenda, is firstly, stabilization and then they will address the social issues. That is, for instance, similar to saying while the grass is getting greener the horse is starving. I will, with your permission, Mr. President, comment on certain issues which are, indeed, relevant to the discussion at this time.

Let us talk about growth. Mr. President, as you know, we are witnessing, in this country, a decline in our revenue. At page 5 of the budget speech, the hon. Minister of Finance indicates:

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

So, if the Minister of Finance is saying this in the budget speech, what is this talk about growth?

They present to us, Mr. President, the *Public Sector Investment Programme*. It will be sold for a price of \$5.00 to the general public and other interested people. But I also have in my possession a piece of evidence here from the Trinidad and Tobago *Gazette* that I think it is very relevant to table here at this time.

"List of contracts awarded by the Central Tenders Board for appointment of consultants during the month of August, 1992. Item No. 27, Hire of an individual consultant to provide technical assistance in capacity of Financial Analyst to strengthen the Public Sector Investment Programme World Bank Technical Assistance Loan. Ministry and Division—Planning and Development. Date—August 6, 1992. Contractor—"

Who is the contractor? A foreign contractor, obviously, as I was indicating earlier to this House.

"Mr. Richardson J. Franklin, of Bucknell Drive, Wheaton, Maryland, USA."

What about the price? What price have we paid for this document? US \$8,823.00. Servol could do with that.

Mr. President, as you know, unemployment in this beloved land of ours has reached a level that is really crucial. According to these documents that I have before me, the *Medium Term Policy Framework: from Stabilization to Growth*, they are insinuating that they are going to place on us, once again, another burden, for 1993 via these fiscal measures.

Mr. President, I am not pleased at all with what we are seeing here. For instance, Page 41 of this *Medium Term Policy Framework: from Stabilization to Growth (1993—1995)*. I am not too sure if the PNM think they are going to last that long anyway—the way they are going. But they have indicated here on page 41.

"Social Sector Policies

134. Government recognizes that the adjustment programme may lead to some measure of dislocation in the short term. Consequently, efforts will be

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directed to the provision of support to the more vulnerable groups of the society through an enhanced safety net which takes into account the existence of already high unemployment rates. The strategy is to seek to empower the socially disadvantaged and vulnerable groups. There will also be some reliance on short term employment programmes of a productive nature for which women and youth, in particular, will be targeted. Self-employment will also be promoted through the provision of opportunities for training, improved access to finance, and technical support services. In addition, Government will further rationalize its social programmes to achieve better targeting of the programmes and cost-effectiveness in the delivery of social services. Closer collaboration with the NGOs will be pursued in these initiatives."

Mr. President, this is just a whole heap of talk and words. Words, Mr. President. This Government is not serious at all.

On page 49 they are speaking about—

"Employment Creation

One of the primary objectives of the *Medium Term Policy Framework* is the achievement of a sustainable growth path thereby generating increasing employment opportunities."

They want to improve and maintain the roads. This is another promise. A total of 37 years of promises we are approaching. Repairs and maintenance of the sewerage system. Environment clean-up; improved drainage; rehabilitation of cocoa and coconut lands; reforestation projects; introduction of appropriate incentives to stimulate home construction and repair. That is for who can afford it. Major infrastructural projects such as airport development—Pegasus already flew away—and new industrial estate and port development.

**10.20 a.m.**

Mr. President, I go on further in this document. They are suggesting on page 66 that they are going to restructure promotional programmes to increase the year-round flow of tourists in 1993 and throughout; look at dual marketing of Trinidad and Tobago; accelerate infrastructural development.

I am not satisfied at all. These are just promises. If we were to hold on to these promises, it is like a basket holding water. They are saying here, at page 67:

"Social sector policies: protection of socially disadvantaged and vulnerable groups."

They also intend to target women and youth for short-term employment generation programmes.

Page 6 of the foreign document, as I refer to it, the Public Sector Investment Programme, among the operations being supported by the World Bank are the Youth Training and Employment Partnership Programme, which incidentally was not started by the PNM, which provides training and employment of young people, and a programme for the support of business expansion and the promotion of foreign investments.

At page 35 of this document, we have the core programme, the details of the activity:

"Training and support for self-employment—YTEPP—a loan of US \$20.7 million, equivalent to TT \$87.975 million. A continuation of youth training programmes for 10,000 youths, in 14 occupational areas, including numeracy, literacy, communicational life skills, business attitudinal development, post-training support, work experience and small business management."

These are just promises. We do not know if they are going to last, because with the history of this Government, as we are well aware, they have gone so far to once more implement the LID Programme. We once had DEWD and now we have LIDP.

They say they originally budgeted \$90 million expenditure on the LID Programme and they raised it during the course of the year. They came to us once again to pass a bill because they needed more money. They raised the expenditure to \$120.3 million. They claim within this document here, which is the budget speech, that a total of 86,963 short-term jobs were provided under the programme. I am very concerned about this, because as we are well aware, there is a certain amount of disadvantage which takes place in the LID Programme. I speak specifically about people who receive a continuous allotment of work. I am saying there are people who get four and five 10-days and there are people who do not get any at all. There is a particular situation which exists, not only in Diego Martin, but in other areas throughout Trinidad and Tobago, and I think it is very useful at this time for me to indicate what I mean.

There are people who, at the fall of the PNM regime in 1986, who were supporters of the party, who resigned from the LID Programme and today they are working again, taking up the place of people who need work. Tell me this thing. I, a young man, living in the Diego Martin area, have grown accustomed to a

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situation where people are confronting me—I am not the Minister of Local Government or the Minister of Labour—to provide employment for them on the LID Programme.

Once again, I am going to indicate to this House that we are not in support of 10-days labour. We are saying 365 days of labour. People are entitled to labour in this country, not 10-days. It is not good enough. For instance, on the Diego Martin stretch near the northern savannah, on the Diego Martin main road, I had the opportunity to walk on a pavement which had been constructed by this LID Programme. Do you know they have little manholes to allow people who would like to clean the drains under the pavement, and "PNM" has been enshrined and written in the concrete? Where was this manufactured, in Petit Valley?

**Mr. Valley:** Diego Martin Central is PNM, Mr. President—all PNM.

**Sen. Kwabene:** Mr. President, the same honourable gentleman who just stood up, indicated in the *Trinidad Guardian*, page 18 of yesterday's newspapers that LIDP is more productive now. He said: "the LID Programme is more productive now." But if the LID Programme is more productive now, I cannot understand why the pavement has not been completed. Did they run out of funds? The same pavement has not been completed; the same pavement is caving in, in certain parts, proving to be a safety hazard to the pedestrians. I am not at all satisfied with the LID Programme in our beloved land.

In this article, he is saying that the people who are in the local government area are not supposed to depend totally on central Government for funds. As much as I respect his statement, I would like to indicate that during the debate which we had in this Senate on local government, I indicated that what we need in Trinidad and Tobago is a devolution of power, so we would not have the Minister's strong hand holding on to these funds. Every time you want to clean a drain you have to run by the Minister. We do not want that. We want to see true democracy in Trinidad and Tobago. Democracy in the Caribbean and in Latin America is in danger, not because of the oil prices, but because of the corrupt officials who utilize democracy as a farce, a mask, to fool the people in Trinidad and Tobago and the rest of the developing countries of this world.

Nothing is wrong with democracy. We support true democracy. True democracy means a devolution of power, which can only come about if the Minister responsible for Local Government would ensure that there is equitable distribution, so we would not have a situation like San Fernando, where the



people there are making noise for money. It is very necessary for us to understand what is happening in San Fernando.

As you know, quite recently, right here in the heart of the city we had a problem with garbage disposal. This is an issue that I brought up in the Senate during the local government debate. I indicated quite clearly that these workers need to have gloves and safety and health regulations enforced in our beloved land. When is the Government going to bring this Bill before the Senate? When is it going to bring the Occupational Health and Safety Bill? When it is too late, when people's hands will be rotting?

The situation is so tragic. I paid a visit previous to making my contribution in this debate in this Senate, to the city council's office at their depot at the back of Roxy, and the workers complained to me. They said they did not have any gloves; it is impossible to work with these derelict vehicles; they do not have enough tools; they do not even have soap to bathe. This is ridiculous.

This is the caring Government they speak so much about. As far as I am concerned, it is the careless Government, because when we look at the situation and what is happening with the crime rate in our beloved land—I spoke again, when the Government was thinking about giving arms to the prison officers, I told Members about the acute situation as it exists out there among the business community. I am speaking particularly about people with small and medium sized businesses—groceries, little parlours, mechanic shops etc.—who need to defend themselves.

**10.30 a.m.**

If the state is empowered to defend these people, and do not have the facilities, are we saying that the people are supposed to take the law into their own hands? No. We are saying they must have some means other than one person, like the Police Commissioner, to decide whether or not people should be granted firearm licences. It is a very, very strange situation, and something that needs to be dealt with, in our beloved land.

The crime rate. What is the PNM going to do about the crime rate? The PNM promised that it is going to build a maximum security prison. I do not know, but this is a very, very sad situation. I have seen something very, very close to this occurring on a little island in the Caribbean, which is just 17 square miles, and I will make reference to it here today. On the Island of Anguilla, because of the behavioural pattern of the young people, in particular, who have been exposed to

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the violence, via the media, and the power of spending of the US dollar, the youths have become very ruthless. Do you know what they decided to do? They decided—not to educate these people—that the solution to that problem would be to construct a maximum security prison, on an island that is just 17 square miles.

We in Trinidad and Tobago are going that same way; not attacking the cause of the problem, but providing, what is referred to as a cure. Prevention in most cases is better than cure. The cure cannot be a maximum security prison. Look at the situation in the prisons in this country. Are we saying that we are going to move all the prisoners from Royal Gaol and Golden Grove and put them in the maximum security prison, when the population of those institutions are already so high?

Mr. President, things are out of hand in Trinidad and Tobago. As I have already indicated to this Senate, on previous occasions—on one occasion I said if they hiked our salaries, we are going to see people marching around the Red House by the following Friday. So said, so done. I am not patting my own back—people are upset in our beloved land.

Public sector reform. Our hon. Minister, Sen. Gordon Draper, a man who has much experience in the private sector, and who I have a lot of respect for, especially outside of this Senate—I quote from page 27 of the *Medium Term Policy Framework 1993—1995*:

"Public sector reform

Government is aware that the successful creation of a market-oriented and internationally competitive economy will depend very heavily on the administrative capacity to implement the necessary reforms."

We are speaking about chopping off heads here.

"Public service reform will therefore be an important element in the array of measures that will be taken to place the economy on a sustainable growth path. The reform programme will seek to address those areas that present a constraint to the growth process."

You may remember, earlier on in my contribution, I indicated to you, with proof, that there is no growth in this economy and I hardly think there will be growth, the way things are going.

Mr. President, they have hiked the salaries of the people who are in the managerial positions in the public service. As you known, the argument was that

there is extreme haemorrhaging, therefore, to stop that, they will increase the salaries of these senior public servants. This is directed to the hon. Minister of Public Administration: what about people who are holding the middle semi-senior management positions; qualified and experienced engineers, accountants, lawyers, doctors, teachers, nurses and other scientifically skilled and qualified personnel? Thousands have migrated over the years or have gone into the private sector; many have also gone into the state enterprises, and some have even opened their own business places. They have left the public service, because they do not believe that they have been provided with enough opportunities there. Why not pay these people their money? Why can we not pay the public servants their money, the arrears in particular?

Mr. President, there is yet another pertinent matter I would like to address to this Minister and I want everybody to pay particular attention to the point I am going to raise today. The verbatim reporters in the computer aided transcription course; what is happening there? We, in Trinidad and Tobago keep repeating a cycle of disillusionment. As far as I am aware, the hon. Minister is quite capable of instituting any form of investigation into any department. But to date, even though the future of public officers are hanging in abeyance, and even though the hon. Minister has placed, via verbal indication, an individual by the name of Mr. Aubrey Armstrong, to carry out an investigation into this Department—it appears that there is a training programme taking place at the John Donaldson Technical Institute. There is also a training programme that was supposed to be taking place under the Training Board. Unfortunately, there are many misgivings there.

The Public Services Association has also entered and asked, on behalf of the trainees, for support from the hon. Minister and the Prime Minister in this situation. What has been done? Nothing has been done. A lot of money has been allocated for the purchase of 24 machines, 16 of which are supposed to be missing. Students have been disallowed to attend classes at John Donaldson Technical Institute, because it is claimed that the people—Educorp—who have been imported into our beloved land, again, more foreigners, to train our people, are not culturally aware, and the very people who are being trained have worked in the public service—in the courts and right here in Parliament—for 20 years or more.

Mr. President, we are saying that some sort of solution must be found. Out of the 30 trainees, 14 are still at John Donaldson Technical Institute. Something has to be done. I sincerely hope that the hon. Minister of Public Administration will

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address this issue. He will also have to tell us the cost of those new machines and where the 16 missing machines are? What is the future of the people who have been shifted around? Somebody who was supposed to be tutoring these people, has been shifted and placed in another department. People are not totally aware of whether or not this person is totally competent to do this job. Much is happening in this country and a lot has to be addressed. If we continue the way we are going we would not reach very far at all.

Another very important issue is that concerning BWIA. Last year, \$2 million was allocated to British West Indian Airways, this year, no money was allocated. What is the situation with that airline? Privatization is on the way. Since they are saying privatization is on the way, let me indicate to this Senate, the climate in which we are operating. Over the past week and a half, we have been reading reports in the newspaper, concerning the operations of our beloved national airline. As a rebuttal to what is really happening, the airline has undertaken an advertising programme. They have a large advertisement in yesterday's *Guardian* indicating that they will always be there to serve us, regardless of what.

**10.40 a.m.**

Mr. President, there are nationals living abroad as well who do hold the interest of our beloved country at their heart. There is a particular organization that operates out of New York in the United States of America, which has information that they have passed on to me on this whole issue of BWIA. The name of the organization is the Caribbean American Action Committee. This information is going to be shocking, so brace yourself, Mr. President.

The Caribbean American Action Committee is an organization that is supposed to be non-profitable comprising of Caribbean nationals who have been brought together by recent developments in the Caribbean which they feel are leading us back to the era of colonialism of the human and natural resources of the region. They say there is a need to re-examine our history and culture with a view towards laying the intellectual basis for a new and fundamentally different Caribbean nation. We hear over and over talk about unity in the Caribbean, utilizing our resources, about the united effort to block any sort of nuclear waste to pass through the Caribbean. We are at one in that respect. What about our national airline? This morning, if I am to rely on the media, the hon. Prime Minister, while he is on his political jaunt in the sister isle, indicated that even though BWIA loses \$750,000 in three months, the Government will foot the bill.

Where are they going to get that money from? I did not see that in the budget or, is he lying to the people? I sincerely hope not.

**Mr. President:** Hon. Senator, I think you know very well that you could find other words to describe the same thing.

**Sen. Kwabene:** I sincerely hope he is not a stranger to the truth. Privatization and divestment has not been successful. Ethnic overload has occurred in management restructuring at BWIA. This is a serious charge. Ethnic overload. We are speaking with reference to people being employed in senior managerial positions in the United States of America to oversee the operations of BWIA. If there were an equal opportunities commission in Trinidad and Tobago, it would have ensured that we could have taken up the case along those lines. As it exists at the moment, individuals have been employed at the BWIA's North American office. These individuals were chosen despite the fact that there were nationals who were of similar calibre, expertise and experience and what have you. Locals accredited with the experience and who have not been selected for those senior managerial posts. This committee has written to the Prime Minister. They also visited Trinidad and Tobago where they handed in some documents. If we were to take into consideration—

**Mr. Valley:** Mr. President, I wonder whether the hon. Senator would answer one simple question. Are they willing to take part or to participate in the divestment of BWIA?

**Sen. Kwabene:** The hon. Minister has asked the question whether or not the people who are members of this committee would participate in the divestment of BWIA. The answer to that is, they opposed it totally. They are of the opinion, because of the history of our beloved islands, and the history of this industry in particular—I will let you know what I mean by that.

The late Dr. Eric Williams wrote a book called *History of the People of Trinidad and Tobago*. Referring to the Government of Trinidad and Tobago, he wrote:

"...It also purchased British West Indian Airways from the British Overseas Airways Corporation to prevent its liquidation and retrenchment of several hundred workers that that would have entailed, to ensure that the vital field of air transport will not fall entirely into foreign hands, and to preserve for the West Indian people the rights and privileges which had accrued to them from

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British West Indian Airways. British West Indian Airways is conceived by the Government of Trinidad and Tobago as a National Carrier for the West Indian area as a whole..."

Mr. President, that is not the only problem we have with BWIA. BWIA needs not only rightsizing but capsizing. They need to start all over from scratch and I would indicate what I mean by that.

Mr. President, I have done a bit of marketing studies and public relations, I have done some creative work in the field of logos and what have you. The logo of BWIA is not a steel pan The logo of BWIA is a plane that the company has stopped making long ago. We are speaking about the TriStar. How could that be a logo for an airline that wants to be profitable?

If I am a foreigner and living in Europe and I am to choose from the logos which airline I should fly with, I am not flying with the airline that is utilizing a logo of an old plane. An old aeroplane; a plane which has been proven to be unsafe in most cases.

As far as I know, the TriStar was originally a cargo plane and has been changed over by the responsible company to be a passenger jet. That is not good enough. What does BWIA own? Let us question ourselves. They own the routes to Trinidad and Tobago. They do not own the routes to the other islands in the Caribbean. As you know, there are fragmented loyalties as far as the Caribbean is concerned.

When one takes into consideration that France, Britain, the Dutch, the US, and Cuba have their protectorates in the Caribbean. We also have other countries like the Dominican Republic in the region. We are saying that BWIA does not have anything to sell. I think that is really a crucial situation. There is no need at this time to privatize.

Two thousand signatures have been collected on a petition of nationals who support this airline to come to the Caribbean for their holidays to meet with their families, to conduct business. They are speaking about tourism in this budget and as far as BWIA is concerned they want to privatize it. Then there are people who are—

**Dr. Saith:** Mr. President, I wonder if the hon. Senator is aware that during the period 1987 to 1991, that company lost \$625 million? Is he aware of that?

**Sen. Kwabene:** Mr. President, we lost more than that. I will indicate what we lost. This is really frightening. According to information I have in my possession. This is from the Caribbean American Action Committee operating in the United States of America.

"BWIA Privatization Chronology

British Airways—the seventh month 1991—declined. They are not interested. Concerned about BWIA's past financial performance. BWIA is also uncertain about the commitment of Caricom Governments to BWIA, LIAT rationalization.

The sixth month 1992—British Airways again declined. Unable to consider BWIA because of focus on US Air investment. They are interested in commercial operations and profits.

British Midland—the seventh month, 1991—declined. They said Their focus is on Europe.

KLM—declined

Continental Airlines—declined,

Northwest Airlines—declined

Swiss Airlines—declined

United Airlines—declined. No change in their policies.

Delta Airlines were interested but unable to pursue at this time because of focus on newly acquired Pan American routes. They suggested that the Government revisit them in 1992.

Lufthansa—well known German airlines not interested in BWIA. They declined. They said their policy is against investment in any other airline industry.

US Air—declined. They said they have a weak financial condition. They cannot deal with it."

What is really happening with our airline? We have to speak to the people.

**10.50 a.m.**

Culture, my pet subject, pet ministry and pet minister. The Government proposes that there will be no VAT on steel pan manufacturing. Who is going to

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benefit from the manufacture of steel drums in our beloved land? Mr. Selwyn Taradath who happens to be an official, the PRO of Pan Trinbago has written a wonderful article retracing his background as a schoolboy in QRC. He also spoke about the steelpan and the Minister, how they grew up as schoolboys together. He is very concerned about the about face.

**Sen. W. Mark:** Which Minister?

**Sen. Kwabene:** The hon. Wendell Mottley. Mr. President, I would like to quote with your permission:

"We of the steelband movement are eternally grateful to him for declaring the pan the national instrument, but that does not mean that we will stop insisting that the Government define this declaration by establishing a national policy on the Creative Arts and Culture.

One of our greatest natural resources, and a potential source of valuable foreign exchange remains a political football, being kicked up and down the field in the process of political expediency.

The inclusion in the 1993 budget of a clause that states:

"The production and sale of steelband and steelband instruments have been exempted from value added tax (VAT) is nothing short of a political mamaguy."

This is an official of Pan Trinbago, expressing his opinion concerning the removal of VAT.

Who stands to benefit, I wonder? To my knowledge, there is one industry, Lincoln Enterprises that appears to be the sole company to benefit from such exclusion. If they are to benefit all the merrier, but the fact of the matter there is a situation concerning the price of the pans. This needs to be closely looked at because, as everything else, culture as we well know is a money spinner. It appears that the PNM Government is not interested in culture.

I have to sympathize with the Minister who is probably trying her best, but if they do not want to vote anything for her, she would not be able to do anything at all for culture. I have said it before in this Senate, as everything else, we need a firm policy on culture in this beloved land of ours.

Today, on my approach to this honourable Senate, I was confronted by young people. It has become part of our culture in Trinidad and Tobago that when you



cannot get things good, you run around the Red House with a placard to defend your interest. It is unfortunate that these young people have to be brought on the streets to demonstrate their needs to the Government because of their insensitivity. The Government is so insensitive, it is frightening. Why?

Look at this situation. We see that in the Ministry of Education alone, there is a decrease in the proposed expenditure for 1993. In 1992, the revised estimate was \$670 million, decreased by \$26,193,221.00. This is one of the decreases. There are others. In this country we need to set our priorities right. I distinctly remember hearing the Prime Minister indicating years ago, that the future of this country is in the children's book bags. These people have turned about-face. They are not concerned about the youths; they are very insensitive.

I want the Minister of Trade, Industry and Tourism to disprove me here this morning. The Tourism Development Authority is planning to have a big party in St. James, to the tune of over \$0.5 million, for Christmas. They intend to keep this party to promote domestic tourism. This is ridiculous. That is a waste of money. What are we going to encourage? Rum and roti politics as usual? You fete the people for a while as a form of diversion, and then at the end of the day, they remain with hungry bellies after consuming all that alcohol. Something has to be done.

They speak about training 10,000 people, but they are also going to place these people under the directorship of the Defence Force. I do not support that. The Defence Force has its work to do. I agree that conservation is necessary, but there must be some other means whereby you can employ more people; provide more employment and assist in the training and preparation of these people in the area. Not enough has been done for the young people in our beloved land.

In concluding, the 1993 Budget is, in fact, an exercise in futility. However, this is the part chosen by the PNM for so called economic growth of our beloved land. It will be a perilous road ahead for us, as they who are the custodians of our patrimony have decided to sacrifice it, and not only that, but our social welfare, for further borrowing and further debt. The PNM has also requested the private sector, the NGO's and other community groups, including the labour movement, to assist with the resulting social dislocation.

With specific reference to the private sector, how can Government expect them to assist with the provision of employment, when it does not provide an adequate climate for investment? The policies of this Government will not encourage savings and investments, but rather incur the opposite effect.

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This is a contradictory and sleeping budget. There is nothing on agriculture and tourism. They cannot harness the human resource in our land. The Minister of Finance, the hon. Wendell Mottley in his budget presentation, when he was concluding stated:

"Madam Speaker, what we would ask of the national community—public and private sector—is that we collectively and consciously focus on raising our levels of productivity, that we focus on ensuring that in whatever our field of endeavour, what we are doing is adding value to the national economy."

They are not adding value to the national economy. They are "minusing" it.

"We would also ask of the national economy that we identify with and support each other, especially those of us who may have fallen on hard times."

Meanwhile, they hike their salaries and while as a Member of Parliament, I am supposed to meet with members of the public—this is not an assumption. I know my responsibility as a Member of Parliament to the people of Trinidad and Tobago. When they confront you and say, you fix up yourself, you leave us out, you carry up the price of LPG. In some places the LPG is selling for \$24.00, in others \$23.00 and \$21.00. The very tanks that are placed in our house to provide us with this LPG are unsafe. They are blowing up, exploding and there are so many coats of paint on them, you can peel off the paint and see how many times they have been painted.

**11.00 a.m.**

If you are living in Tobago and you want to move to Trinidad, you cannot move with the tanks on a boat or a plane. All right, you go into NP and make some sort of arrangement, but since a large percentage of these tanks are unsafe, if you attempt to trade them in and tell them that you will collect tanks in Trinidad from the distributor there, they tell you that this is unsafe. I know of a particular individual who had that problem and he was advised by a member of a state enterprise to pass off the two unsafe tanks on an unsuspecting dealer and get good tanks and come back to him. This is, in effect, the sort of attitude that has developed over a period of time in our beloved land.

Mr. President, once again, in my own humble manner, I would like to plead with the Government to offer some sort of assistance to people who are in the Servol department, establish a policy on culture in our beloved land and let us, the Members who are in opposition, have more of an input into the provision of any budget to run our beloved land. Thank you.

**Sen. Martin Daly:** Mr. President, I begin my contribution to this budget debate as the beneficiary of two pieces of good fortune. The first is that I am following three of my colleagues on these benches who have demonstrated, again, their incisive understanding of the real conditions of budget making and the real conditions that exist in this country. So that, when I follow Senators Mansoor, Mahabir-Wyatt and Mahadeo, much of what I might spend my time on has already been covered and covered well.

My second piece of good fortune is that by the rules and regulations that govern this House we address you. It appeared to me yesterday that while Sen. Mahabir-Wyatt was dealing with the effect of this budget on social services, the Minister was otherwise engaged. I think that is very unfortunate because there is already a great suspicion that these budget debates are pointless. His predecessor did set a standard where he was prepared to look at a re-allocation of resources within the framework of the budget, when reasonable suggestions are made.

Mr. President, through you, I would support first and foremost the plea that was made by my colleague, Sen. Mahabir-Wyatt, in relation to Servol, and I do so because it is my intention, in the course of my presentation, to lament again the failure of this budget to come to grips fundamentally with the explosive unemployment situation in this country. When I come to deal with the proposals for the National Apprenticeship Programme, about which I am deeply suspicious, I will deal with the Servol issue.

Put shortly, to get it out of the way, if \$30 million is going to be spent on National Apprenticeship, the \$955,000 that has been cut from the Servol budget can be taken out of that \$30 million and put back into Servol because Servol is an organization that is up and running and which has a track record which has been recognized internationally. If while my colleague was speaking about that, the Minister affected preferred not to listen then that is a matter for him. I am repeating the plea that the Servol budget be restored in the context of the proposed \$30 million to start something, whereas Servol has an internationally recognized track record. I will return to that when I come to the subject of unemployment.

The philosophies underlying this budget are very deeply flawed. They are flawed for several reasons. The first is that they regurgitate prescriptions that are touted internationally as the right medicine for debtor countries, but in its regurgitation of these philosophies, as I shall demonstrate, the Government has not thought these philosophies through.

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The expression of these philosophies in the budget are flawed because, among other things, they ignore certain local conditions. They ignore the state of industrial relations in Trinidad and Tobago, and the implications for community service, of which Sen. Mahabir-Wyatt has spoken. They ignore the prevalence and devastation of crime in this country. They ignore public service reform about which Sen. Mansoor has spoken. The budget betrays a complete lack of understanding of what export-led growth is supposed to be about. It will be my respectful submission, Mr. President, that all the references to growth in this budget are mere window dressing.

Moreover, I join with Sen. Mansoor in stating with all the vigour that I can command, that the Minister of Finance was frighteningly complacent about the lack of accountability in our system and I would like, first of all, to refer to pages 1, 2 and 3 of the budget speech where, in my respectful view, the Minister of Finance led with his chin, and when you lead with your chin there are certain consequences. He identified various aspects of the system which provide for accountability and he came to the complacent conclusion that the existing framework allows the executive to proceed unhindered with the day-to-day operations, while empowering the legislative branch of Government to ensure accountability to the national community. I ask, Mr. President, is the legislative branch so empowered?

The operations of the Auditor General, however efficient we make them, are operations *ex post facto* expenditure of money. The Supplementary Appropriations Bill is *ex post facto*. The proceedings of the Public Accounts Committee are not public and there is a history of a lack of follow-up action. In the course of his brilliant presentation Sen. Mansoor gave some examples of things that were specifically identified by the Auditor General that were not followed up. I ask the question, what good is the so-called system of accountability if it carries with it no sanctions? There are no sanctions of good accounting practices.

I am content to identify myself completely with my leader's presentation on this subject. I would just like to make the point that, not only have we got to be concerned as Sen. Mansoor pointed out, about the Government's power to spend money. We have to be concerned, as part of accountability, with the Government's power to enter into contracts with third parties that are lucrative to them. That is a whole area of accountability on which we have got to focus.

**11.10 a.m.**

I say that, Mr. President, because when you embark on a programme of divestment and you are selling Fertrin and Urea, when you embark on a programme of encouraging foreign petroleum investment and you are inviting people to come in, like Enron, and sign contracts and grant them petroleum exploration licences, when you enter into a 20-year gas contract with Amoco, when you enter into a shameful lease of the steel mill, those are contracts which the Government is entering into that are lucrative to the parties with whom they are made. There is no accountability in the system whatsoever for those commercial operations of the Government, not even the fig leaves that have been referred to by the Minister of Finance.

That is why, Mr. President, I have consistently argued that the Government should adopt, as a practice, laying as a paper before Parliament, an executive summary of every one of these big contracts into which it entered so that the public can see whether the Government has made a competent and clean deal with a third party.

I have no problem with the Government in the exercise of executive responsibility entering into contracts that are lucrative with third parties. I have a very grave problem when I am provided with no information that tells me whether it has done so competently and whether it has done so cleanly.

Now, happily, Mr. President, in this House, the Government has been very forthcoming with information. Indeed, only yesterday, the Minister of Energy was prepared to give us certain details about the arrangements with Enron. He was prodded into giving us some more details about the gas contract.

However, Mr. President, when you look at the Draft Estimates of Revenue for the year 1993, page 19, we see, again, something that was pointed out by Sen. Mansoor last day. Ministry of Finance, investments, and I believe that is this Minister's portfolio in the Ministry of Finance, lease rental of steel mill Iscott and this is under "property income", 1991 actual—there is a dash. I do not know if that means nil, or they do not know if there was any; I do not know what the dash means—but that is the standard of accountability for a commercial contract lucrative to a third party, namely Caribbean Ispat. The 1992 estimate, there is a figure there, 1992, "revised estimate", there is a dash, 1993 estimate, there is another dash.

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To this day, Mr. President, despite correspondence that I have entered into with the Ministry of Finance, we know nothing of the details of the Ispat lease. So we do not know whether it is a good or bad deal. We do not know if it was competently made.

Mr. President, that underlines what I am saying. There is not even fig leaf accountability for commercial contracts entered into by the Government with third parties. My suggestion is, that if an executive summary of those contracts were released, we would have at least sufficient information that we could then determine whether those contracts have been competently and cleanly made.

I am happy to see in the press that having referred to an anonymous firm of lobbyists, the Minister of Finance subsequently identified them, said what they were being paid and the length of the contract. I am happy for that. I congratulate the Minister for that. But it must become the practice and the Government must not have the discretion to say whether they are going to let it out or not let it out.

I accept, as I have repeatedly said, that we must make exceptions to commercially sensitive information. I do not for one moment have any reason to believe that any of these contracts or dealings are anything other than clean, but I do not know whether they were competent. Particularly in relation to the steel mill, I do not know if that was a competently made agreement. I simply do not know because I am confronted with a dash. That is the state of accountability.

Mr. President, so far as I am concerned, the Minister of Finance has no business to be complacent about the system of accountability. I certainly hope that the Government will continue, as the Leader of Government Business has promised, to free up the flow of information. I am suggesting a practice about this: An executive summary should be released every time one of these big contracts is made, then the whole aura of suspicion which feeds and excites curiosity will, in most cases, be readily dispelled.

Mr. President, I have indicated that, so far as I am concerned, this budget takes no account of certain local conditions. I mentioned industrial relations, and I just say three things in passing about industrial relations. Because it is my respectful view, like my colleague, Sen. Mahabir-Wyatt, that whoever wrote the budget speech and prepared these budget documents, does not know anything about industrial relations, does not know that such a discipline exists because no linkage has been made between this budget and certain critical industrial relations issues.

Mr. President, the deals that have been struck by way of collective bargaining, for example, with the WASA workers, should have been struck; whether they were good deals or bad deals does not matter. The important thing about it is, if a debt is five or eight years old, people must become restive. Therefore, I would expect to see some statement in the budget—insofar as sacrifices and so on are going to be required to continue—as to what is the plan for dealing with it in the industrial relations context. People must become restive if their debt is five to eight years old, whether they should have as large a debt or not is beside the point.

I sympathize with the Minister of Trade, Industry and Tourism because much is being said in this budget speech—actually, at page 33—about the proposed merger, synchronization or co-ordination of operations at the IDC, EDC, TDA and the Free Zones Company. But any kind of merger or co-operation and so on must deal with the industrial relations situation and the Minister must know that, for example, in relation to the Tourism Development Authority, many problems arose when the Tourist Board was made defunct by statute and the TDA was proclaimed. Many unhappy industrial relations problems arose and there are people in these organizations who feel very uncertain about their future.

So it is all very well to talk about facilitating business by enforced co-operation with these organizations, but the framers of these policies must consider the industrial relations implications. Similarly, Mr. President, when we talk about a hospitable climate for investment, and creating a proper investment climate, you do not need to go to school to know that a hospitable climate is certainly not one in which you either have a gas strike, an oil strike, a water strike or an electricity strike. That is not a hospitable climate for investment.

Our climate is like that because good industrial relations are simply not figuring in these plans. I have my own view about how it should be dealt with, but the point I am making is that it is not figuring in these plans. That is why I say that we are simply retouting policies that have been tried in other countries, without thinking through—is how I respectfully put it—these policies.

Mr. President, there is the question of crime. It is always best to trod along a path that others have already trodden. The Prime Minister, when he was in Opposition, I am happy to say, shared my views about the relevance of the crime situation to budgetary proposals, and I want to adopt every word that he uttered. For example, in January of 1990, when that budget was being debated, Mr. Manning said in the course of his budget contribution, and I quote:

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"Mr. Speaker, this is an appropriate juncture at which to devote some attention to the issue of public safety and security. It is an incontrovertible fact that the citizens of Trinidad and Tobago have never in their history felt physically insecure as they do today. This insecurity is no respecter of class, race or religion. It is all-pervasive. Those who can afford it employ the services of private security firms to give them some peace of mind. For the rest of us, it is devil take the hindmost."

He went on to deal with the state of the police service and he made what I consider to be an absolutely correct statement, with the greatest respect:

"Economic development, Mr. Speaker, no matter how attractive the programme may sound, will not take place in an environment where every citizen feels physically unsafe."

I adopt every word of that, Mr. President. I ask, are we going to have a hospitable climate either for local or foreign investment if we have completely uncontrolled and rampant depredation of the physical assets of the investor?

I have complained many times, Mr. President, and I do not do it because I want any particular attention paid to my situation. I have invested in an office building and it is ripped off every single night of life. The only time it is not ripped off is because of my close proximity to the gaol, when there is a patrol car in the square near the building, because of what may be taking place in the gaol, then we have a respite. What does common sense tell you? If you have a visible police presence, the rampant depredation and rip-off of physical assets of an investor become protected.

I would like to know, if this Government, as it saw so clearly in Opposition, understand what the prevalence of crime does to an investment climate. I speak from my own experience. The mere physical presence of the police far away, a block away, makes a difference. But we do not have any police patrols to speak about.

We keep hearing that they have no cars. I do not know, perhaps Sen. Mansoor might be able to tell us how many cars the private sector has donated to the Police Service over the years that we have been hearing this cry about no cars.

Therefore, Mr. President, all these high-flown philosophies make absolutely no practical sense unless the framers of the budgetary policies understand the linkage of all these things in the society. So I adopt Mr. Manning's words and commend them to the Minister.



Then there is the linkage between the success in economic policy and community services. Mr. President, if you have a huge, angry army of unemployed, that is not a hospitable climate for investment and it is not a climate in which the country will go forward with an easy mind towards common objectives. I have spoken many times in the Senate about the new prevalence of a meanness in Trinidad and Tobago society, certainly in urban Trinidad, the like of which I have not experienced before.

Part of that is because the infrastructural and community service support for the country as a whole have broken down. Therefore, it is against that background where you have non-governmental organizations, such as Servol, who are looking after some of these social problems, it is audacious on the part of the persons who are preparing these documents to do an accounting exercise and say "in order to balance the budget we are short of \$955,000, so let us pull that from Servol; and we are short here, so let us pull it from the Ministry of National Security". The result of this pulling and tugging and rearrangement of resources in order to present what appears to be a cosmetically sound budget, in order that you can get up in Parliament and say "no surplus, no deficit", is that they just keep pulling resources from here, there and everywhere while the overall fabric of the society is being broken down. That is what I say in support of my respectful view that the prescriptions in this budget have not been carefully thought out.

There are many aspects of this budget which I thoroughly endorse. The approach to foreign investment, for one, I have spoken about before. But we have got to think out these policies; that is my contention. We have got to understand what it is we are doing.

Mr. President, that brings me to the lack of any real cohesive policy on unemployment. I spoke very stridently about unemployment the first time I had the privilege to participate in a debate here. It is difficult not to be strident about it, again, but when you strip it down, what does the budget say? We had a national symposium, we have projects coming out of the symposium, but we cannot identify them. Give me the names, tell me what these projects are. Otherwise, I am forced to join with Sen. Mansoor and repeat the word "mamaguy". Identify what these projects are.

I am happy—as a short-term measure, because I want to survive in this society—that by force the Minister took the advice which I gave him last year and increased his expenditure on LIDP. Not because I want LIDP as a permanent feature

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in the society, but because we have got to get some unemployment relief. So LIDP is dealt with in the budget.

Then we come to the Civilian Conservation Corps, which it is said—I have to hand it to this Government, its bedside manners are perfect. So we have the conservation corps, which is an idea that we have borrowed from Franklin Roosevelt. That sounds great. That really motivates people.

Mr. President, there is a reason why the conservation corps will have to go into the forest with the army, because you cannot go to Tacaribe and Madamus and camp as I used to up to five or six years ago and be safe, because these areas are not parts of Trinidad and Tobago where it is any longer safe for anyone to go. So the conservation corps has to go into the forest with the army because if they do not go into the forest with the army, all kinds of ills would befall them. Assuming, Mr. President, which may be questionable, I was still fit enough to camp—I certainly would not be walking from Blanchisseuse to Petit Tacaribe to Grande Tacaribe and to Madamus anymore. So the conservation corps, maybe it is a good idea, but we have got to link it to what is happening in the society as a whole.

Then we come to \$30 million, for what is it called the National Apprenticeship Programme. Mr. President, I would just share with Senators what my suspicions are. My suspicions are that this will be a vehicle for patronage. I am gravely suspicious about that. So far as I am concerned, before we have any kind of state-directed apprenticeship programme, the entire budget regarding the operations of NGOs, about which Sen. Mahabir-Wyatt has spoken, should be redirected to see whether that \$30 million would not be better spent among the various NGOs who are taking up the slack in this country in relation to vagrancy, training of youth and drug addiction.

We have very little activity on the part of the Government—not just this Government, any Government that we have had—in relation to those areas. It is like we do not have a Ministry of Social Services. So let the NGOs, which everybody knows are of all religious persuasions; nearly every substantial religious group in this country is doing community service work. So take the \$30 million or some of it and send it there, because many of them, like Servol, are involved in the training of young people. I am deeply suspicious about this National Apprenticeship Training Programme and I am respectfully suggesting that some of that budget—maybe not all of it because I understand the emphasis is

on training, whereas many of the community service organizations are involved in rehabilitation—can be redirected to those NGOs that are involved in the training of young people to lead useful lives. But, of course, the framers of this budget have not thought about these linkages because they want to come here and boast about a balanced budget.

Of course, I am not displeased about this budget. It has not hit the taxpayer all that hard, except, of course, for the tinkering with the mortgage rates, again. It is quite a benign budget, but when you look at it in the raw, there are these difficulties about it.

We have all the ritual utterances about unemployment, but when you really strip it down, not much is going to happen and we are likely to go into the 10th year, because by my reckoning, we will be going into the 10th lean year and we will be doing so as far as employment prospects in this country are concerned. I really do not know what the national symposium has achieved, because I have not been told. It is just an airy-fairy reference to projects that have emerged.

We have all this hoo-ha about export-led growth. Mr. President, I would just like to say that, so far as I am concerned, export-led growth, if I understand it at all, means much more than just saying "the state is withdrawing from wide-spread commercial activity, we are leaving it to the private sector now". It involves much more than that.

In fact, Mr. President, someone furnished me with a study of industrial policy in developing countries. It is put out by the Economic Policy Institute, and it is a work by Steven C. Smith. He is a Professor of Economics at Georgetown. Well, he has a long curriculum vitae. But the point about it, Mr. President, is he analyses export-led growth in all of the countries that have been successful. He shows you what a long-term process it is. He confirms what Sen. Mansoor has told this Senate, that first of all we have got to nurture our manufacturing base in the domestic market and then use that as your platform from which to leap forward. It shows how that is done.

Mr. President, for example, in relation to South Korea, he says, and I quote:

"...truly prodigious array of incentives for exporting used by the Korean Government since the early 1960s."

He talks about preferential access to imports needed for producing exports.

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He talks about tariff exemptions on inputs of capital goods, tax breaks for domestic suppliers of inputs to exporting firms, reduced public utility taxes for exporters and subsidized interest rates for exporters.

Now, when you go through that list, Mr. President, you see the exact opposite situation operating in this economy in which we are supposed to have export-led growth. Interest rates are high for everybody and while I appreciate the very cogent analysis given by Sen. Ainsley Mark about utility rates, I do not for one moment accept that the utility rates are going to remain as favourable as they are in the comparisons which he made. So that, assuming that the case is correct, that the manufacturer should not be complaining about utility rates now, we all know and can all foresee that utility rates are going to increase. That is a factor that is referred to here. So interest rates are high for everybody, utility rates are high for everybody. There is a five per cent on the raw material required for imports.

So whether these are—according to the analysis given to us by Sen. Ainsley Mark—minuscule in the overall context or not, they are contra-indicators of export-led growth.

I suspect that certainly a foreign investor, when he looks at that, will say well, this is not a budding Korea, because look what the Government is doing.

Mr. President, I think that is because export-led growth is a phrase that has not been properly thought out. I would ask the Government to think carefully about what has been said by the business community as to whether or not it is going about export-led growth in the correct way and according to the classical models that have been analysed by people who know and have experience about these things.

Simply for the state to withdraw from commercial activity and say "we are turning it over to the private sector", is not going to produce the result we need. Mr. President, if it does not produce the result we need, there is going to be no dent in unemployment and we are back to square one of budgetary measures that do not take account of existing conditions on the ground in Trinidad and Tobago.

Mr. President, there are just some other matters to which I would like to refer. It is interesting that somewhat belatedly the Government has recognized that part of an export-led growth economy is an improvement in the regulatory framework.

Mr. President, I have been complaining about the lack of modern company law, since I have had the honour to sit in this Senate. I am happy to see I have

converted the Government to the need for modern company law. But the point is, as I have repeatedly said, there is already a companies bill fully drafted and that is already the subject of public comment, which was done under the auspices of the Chartered Accountants Institute. So what is the problem? Why is it being delayed? I am very happy for the conversion, but I wish it would be implemented more speedily.

Of course, Mr. President, I note that there is no reference in the proposed legislation to monopolies. While I understand that sometimes in an export-led growth economy it is necessary to have a monopoly. That is what I read when I do my research. Certainly, I would not like the subject of monopolies to come off of the legislative agenda, particularly in relation to monopolies in the media.

It is very interesting that the monopolies legislation which I looked at treats differently with goods, services and the media. The media is treated specifically. What is interesting, Mr. President—there may be nothing to it—but on one occasion, when I referred to the need for monopolies legislation, at least in relation to the media, a local media house, through its printing arm and its electronic arm asked me for the material. I went and took the time and trouble to photocopy the material and sent it to the person requesting it. I have never seen any reference to it in the output of this media house, since that day. It just makes me wonder, Mr. President, why do they request material about monopolies and then it does not see the light of day?

Mr. President, I want the Government to understand that if it does not look at monopolies legislation—and I repeat, I am not suggesting that we necessarily need the comprehensive umbrella of developed countries—the Government can ultimately be hurt in its day-to-day operations in the country. Of course, the best known example is a work of fiction, where, as a result of a stranglehold—it is fictional, but it could happen—on the media by big business in the United States, Mario Puzo, who wrote *The Godfather* wrote a book called *The Fourth K*, and *The Fourth K*, of course, was a mythical Kennedy and there was an occasion on which, after terrorist activity, the media barons did not agree with what the president was doing. He wished to address the nation and they conspired to refuse him access to media time in order to speak to the people. It may be a work of fiction, but much of what these clever writers put down in books comes to pass. We need only think of *Animal Farm* and some of the better science fiction and indeed some of the things that we see on Star Trek come to pass. I want the Government to understand that it must take some look at monopolies legislation.

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Mr. President, another area in which the Government has not thought out what it is doing, laudable though its objectives are, is in the question of tendering procedures. Now, I have not as yet perceived any arrogance in the Government, but I have perceived a great deal of arrogance in the persons who draft laws for the Government. Perhaps, if they do not like to take advice locally, they should take advice abroad.

As part of the scenario for accountability and as part of the regulatory framework that must be introduced in an export-led growth economy, you have to give some thought to tenders procedures.

Mr. President, this is particularly important if we return to the area of the Government making contracts lucrative to third parties. Traditional tenders procedures deal with the supply of goods and services where the goods and services being supplied are capable of precise quantification—so many light bulbs at so much per light bulb. What traditional tenders procedures do not deal with is where the public authority in receipt of the tender has to exercise its judgment over design, finance and construction.

**11.40 a.m.**

If we are going to have joint venture arrangements that are going to involve public bodies making decisions about design—which is a partially subjective thing in the minds of the persons receiving the tenders—then we have got to have tenders procedures to deal with that. That is the difficulty, and that is why so many controversies arise in relation to these big contracts because there are no design and uniformed tenders procedures.

The European Community has dealt with that and they have specific public works contract regulations as part of the regulatory framework. Those public works contract regulations apply to construction and civil engineering works with central government, local and regional authorities and all bodies governed by public law. If your National Gas Company, for example, is entering into a contract, then it would be subject to those tenders procedures.

What those tenders procedures do, is set out for all to see, in order of importance, the various things which will be taken into account, such as, price, delivery date, running cost, quality, aesthetic and functional characteristics—because that, of necessity, has a subjective element in it—after sales service and technical merit. There is a whole procedure for how one goes about inviting tenders and awarding contracts.

I would commend to the Government, as part of its reform of the regulatory framework, that it attempts to arrive at uniformed tendering procedures for all public law bodies and tenders procedures that take account of somewhat subjective elements such as design and evaluation of technical merit.

I know that an attempt was made to use the National Hospital Management Committee's tenders rules and to make them uniform for all state enterprises. What I am saying is that does not go far enough because it does not come to grips, particularly where you have a project and you invite persons to tender on the basis of design and finance. There too, these budgetary policies need some more thought and some tidying up. It will help us with accountability and make persons feel more comfortable when contracts are awarded.

In this country, we have a history of litigation ensuing when disappointed tenderers do not get a contract and they do not understand why. That, in my view, very rarely has anything to do with corruption, it just has to do with the feeling that, "I either was not competently or fairly dealt with; or I did not understand the basis on which Joe Brown Company Limited was preferred to me."

It would keep the Government out of a lot of political hot water and expense if it would give some thought to improving its regulatory framework as far as tenders procedures are concerned.

Mr. President, it would be remiss of me if I did not return again to the Eurobond. I am happy that the Government got its cheque for \$100 million.

**Mr. Valley:** \$97 million.

**Sen. Daly:** Of course, I am happy not least of all because we are borrowing on the international market in order to refinance other debts that we have. I am happy presumably that we got that money on more favourable terms.

You know, there is still something that is troubling me. I cannot regard the raising of \$100 million as "a signal event" unless I know whether the money was in fact raised on the international market in large proportions as opposed to coming out of the pockets of the underwriter of the bond issue.

That is another example of the need for information. We are being told that we must feel better about the country's credit-worthiness and people perceive the country in a better light because we got \$100 million on the international capital market. But I do not know whether we got the whole \$100 million or part of it on the international capital market; part of it may have come out from the

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underwriter's pocket, pursuant to the obligation to underwrite the loan. I do not know. So, I have to reserve judgement on whether it is a signal event. Of course, it is important that I know. When I am told that the country's credit-worthiness is being restored, I cannot make any judgement about that unless I know that important fact. That is another example of the importance of having information available so one can make an informed judgement about things.

Mr. President, what I have tried to do is to demonstrate that there are many features of this budget that need to be more carefully thought out. The reason people are looking at this budget with some caution and saying that it contains sleepers and that it has postponed the evil day, may be because a number of these things have not been properly thought out. That is why this budget may not take us very far.

I hasten to add that the Minister of Finance was careful to say that the budget was only part of the exercise and that we must look in the *Medium Term Policy Framework* in order to understand all the things that inform the budget.

It was pointed out that at page 50 of the *Medium Term policy Framework* certain projections were made about employment implications but there was no narrative, and I support that. I think it is important to know these things because of the critical role that employment plays in the economy.

The objectives that are stated in the *Medium Term Policy Framework*, on page 2, talk about the strategic initiatives which underpin the medium-term programme. These are: enhanced fiscal discipline; reliance on the private sector for incremental investment; and exports as the major source of growth and employment.

I have tried respectfully to show that there are a number of loose ends concerning the policy of relying on the private sector and exports as the major sources of growth and employment.

So far as I am concerned, until I can have some of these doubts put to rest, I cannot regard the references to growth in this budget as anything other than window dressing.

**Mr. Valley:** The proof of the pudding will be in the eating.

**Sen. Daly:** We are always at a disadvantage here when cross-talk takes place.

I do urge the Minister to provide us with some better justification for these stated strategic objectives. I do urge him to show us what this budget and the



supporting budgetary policies, about which I have been speaking, will achieve the objectives that are referred to in the documents. It is no good us continuing to adopt a wait and see attitude when we are going into the tenth year of hard grinding unemployment.

**11.50 a.m.**

I must congratulate the Government, Mr. President, for resisting the considerable pressures that we know have been placed on them to devalue our currency. I am happy to see recognition by the Minister of Finance that so far as the attempt to grow the economy by export is concerned, that he has dismissed this as a quick fix. I know the pressures the Government comes under from time to time to devalue the currency. But happily in that regard it has thought out the social implications of a further devaluation of our currency. Because it will have social implications; it may do certain things, budget-wise, fiscal-wise, but it will have certain implications on the price of pigtail and things of that nature. I am very happy to see that the Government has resisted that temptation.

Mr. President, finally, there are two matters to which I would like to refer. One is that the Minister referred to the question of excessive Central Bank financing; and he did say, Mr. President, at page 16 of the budget speech, that because revenues had been disappointing and certain other disappointments that he had had, there will be an increase in Central Bank financing. He also stated that:

"Our resolve to deal with this matter remains undiminished..."

You know, Mr. President, that is the problem with politics. When the 1992 budget was presented, the Minister was quite concerned about the undesirability of the considerable use of Central Bank financing and he made a promise that the administration would seek to rectify this undesirable situation within the shortest possible time. What he is telling us now is that his resolve remains undiminished. But we have no time-table, no idea of what its objectives are to cease its reliance, some might say addiction, to Central Bank financing about which it was so critical a year previously. But then, of course, Mr. President, and Sen. Mansoor has dealt with it—and this is my last point Mr. President, even though I have not yet received the warning bell.

**Mr. President:** If you would like to, I can remind you that you have passed the sound barrier.

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**Sen. Daly:** Thank you very much, Mr. President. In which case, Mr. President—

**Mr. President:** You still have a few minutes left.

**Sen. Daly:** I will accede to your earlier indication and fly along. I would just like to make the point, Mr. President, and Sen. Mansoor has made it, that while I touch on the inconsistency of politicians in relation to the question of Central Bank financing; and while I try to nudge the Government further along the road of giving us more substantial information, I would just like to point out—it was a long time ago and much has changed, I allow for all that—but you know, in the debate on the 1989 budget when in Opposition, certain commitments were given by the party that is now in Government about the reduction of tax benefits and the need to continue the move to indirect taxation.

Mr. President, I do not think, against the background of those promises, that it is sufficient to say, as was said in the course of this debate, well you know, we still have that as an objective; we cannot quite get there yet. When you make categorical statements in a budget debate that you want a greater reduction in the rate of corporation tax to 35 per cent, in order to encourage businesses to plough back more of their profits into new investment and the creation of new employment; when you say: elect us and that is what we will do, it really, Mr. President, is not satisfactory when you are elected to say: well fellows, we are working on it and it is still coming. That is why it is not satisfactory to say: we know that we are addicted to Central Bank financing and we are working on the addiction and our resolve remains strong.

Mr. President, how many times—and I do not mean any disrespect—has the real addict said: my resolve is strong. Perhaps if we put it in that context we will understand why, Mr. President, I am suggesting that this budget has not been properly thought out.

Then there are the promises about funding support for research and development institutions in areas such as oil and gas. I dare say my learned colleague, who has given me an indication about when he might be speaking, might like to tell us what has become of the promise of funding support for research and development institutions in areas such as oil and gas. He may care to refer to his Leader's contribution on the 1989 budget.

**Dr. Kuarsingh:** Mr. President, I do not mean to disturb my hon. friend, Before he sits down could he indicate whether he has costed out any of the measures that he suggests we might wish to pursue?

**Sen. Daly:** Well, happily, Mr. President, not being a career politician, that is not my job. As an Independent Senator, it is my job to draw to the Government's attention and indeed the Opposition when they fall short on their promises. I think I am properly playing the ball well within my crease.

Now, Mr. President, there was reference to specific proposals for marginal rate reductions of income tax; and they were set out. Now, Mr. President, I know the Government cannot reduce tax right now; I am well aware of that. But I think it is very important to remind the Government that we are watching—all of us are watching. Therefore these kinds of really wishy-washy statements are not sufficient. Therefore I must nudge them, in closing, Mr. President, a little further along the way of providing us with more information.

Mr. President, they have done very well. *[Interruption]* The Leader of Government Business says, ask and ye shall receive, when it comes to information, and they have done very well. Sen. Barnes was a model, yesterday, of the persons providing information. But before the chorus of hear, hear gets any louder, Mr. President, may I close as I began. It must not be left to the discretion of the Government as to what it wants to tell us and when it wants to tell us, when it is making commercial arrangements with what is, ultimately, the people's property.

Mr. President, I despair of an answer on the ISPAT lease. I despair; I really despair. I know that we are going to continue to see no income from a lease and if there is no income from a lease, why in heaven's name did we rent out the place? I do not suppose an answer will ever be forthcoming.

**Mr. Valley:** It is not we, you know.

**Sen. Daly:** Mr. President, may I just make the point that Governments, never seem to understand that the ultimate accountability for the resources of the state lies with those who are managing them at the particular time. They never seem to understand that. Let me just tell this Minister, because he seems to have stopped writing now, that from now until kingdom come and as the calypsonian said, whether we have RAM, or MPM, persons will continue to question whether we made a good deal with Iscott and Ispat. Whether it is RAM or MPM, somebody must tell us; and that is why I make these entreaties.

Sen. Barnes was good enough yesterday to express his candid view of what he thought about the Amoco gas contract. Jump high, jump low, Mr. President, and I believe the movement was started by my Leader, Sen. Mansoor, we have got to have a higher degree of accountability and it must not be left to the discretion of the Government of the day as to what it tells us and when it tells us, when they are disposing of the assets of the state.

Thank you Mr. President.

**Mr. President:** Hon. Senators, we have 30 speeches to complete in three days. We do not seem to have a tailwind behind us, so we have to make up time on the stop-overs. The sitting is suspended; we will resume at 1.15 p.m.

**12.00 noon:** *Sitting suspended.*

**1.15 p.m.:** *Sitting resumed.*

**The Minister in the Office of the Prime Minister (Sen. The Hon. Gordon Draper):** Mr. President, let me, as I rise in support of the measure before us, add my own words of congratulations to my colleagues, the Minister of Finance and the Minister in the Ministry of Finance, for their submission of this measure before us.

I would propose this afternoon to treat with the issue of public service reform. Much has been said over the last day and a half about the importance of public service reform, and I would wish, therefore, to bring this honourable Senate up to date on what has happened over the last 10 months with regard to public service reform. I propose to do that by going back, in fact, to my own contribution to the 1992 budget, where I began identifying some of the elements and targets which we would use during 1992 and beyond, for public service reform, and I would seek, against that background, to identify what has happened and, therefore, allow this Senate and the national community to be aware of where we are in public service reform.

My colleague and friend, Sen. Mansoor, made the comment that he felt that in the *Medium Term Policy Framework*, he would have liked to see one of the strategic initiatives being identified as public service reform. In fact, Sen. Daly, in his own comments, just before lunch, also alluded to what he thought was an omission, in his view, relating to public service reform in the budget.

Permit me, indeed, to restate a part of the *Medium Term Policy Framework* which Sen. Kwabene, in fact, read into the records this morning. I feel it important enough to restate that, because it clearly, in my view, underscores the continuing

commitment of the Government to public service reform, and it clearly identifies the role that this Government identifies for public service reform, as part of its own drive towards competitiveness and efficiency in the economy.

On page 27 of that *Medium Term Policy Framework*, paragraph 78, states:

"Government is aware that the successful creation of a market-oriented and internationally competitive economy will depend very heavily on the administrative capacity to implement the necessary reforms. Public Service Reform will therefore be an important element in the array of measures that will be taken to place the economy on a sustainable growth path."

While, perhaps, this statement does not come precisely where Sen. Mansoor would like to see it, it is, in our view, a very clear manifestation of our commitment to reform and a clear indication of the importance to which we attach reform in this path of growth.

Let me also—mindful of another of the comments which Sen. Mansoor made in passing, which is a comment to the effect that he is not sure what has happened with public service reform—make a point which I started to make in January of this year, in the 1992 budget presentation. It is that public service reform is not about quick fixes. Public service reform is a long-term, perhaps painful process, of changing an organization. It is for this reason that I was at pains in that presentation, to identify the importance of what I saw as the process of reform, as being as important as the content of reform. I shall return to that point in a while.

The other issue that I wish to make early on, is to recognize that to talk about reform, we really need to talk about a whole array of measures. We are really talking about a holistic approach to life and to organization development. While there are some who would identify the laws and the regulations as critical elements for reform, and others who would identify pay and incentives as critical for reform, and yet others who would identify discipline and the approaches to discipline, as critical to reform, and yet others who may see the size of the public service as critical; we need to understand that all of these things are important. Therefore, in addressing the issue of public service reform, it is how we manage a whole complex of issues and approaches that will ultimately allow reform to truly take place. Therefore, an approach which seeks to be unidimensional in nature, will lose sight of the dynamism of the situation and the complexity of reform itself. Indeed, when I spoke in the budget presentation on January 29, of this year, I argued the case initially as follows, and I will quote my presentation:

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"The Government will be conscious of process and, indeed, in the first two weeks of February, we will be engaging in a series of consultations with public service trade unions, with permanent secretaries, with other heads of departments, to ensure that we agree on the agenda for reform and on the process of reform."

The point I was seeking to make there, was that the manner in which we proceed to implement reform, was as critical as the content. Indeed, one of the things I would wish to do this afternoon, is to trace how that process has unfolded over these last 10 months. But let me, perhaps, put our own process against a background of a slightly different process. This process began in Jamaica in 1984, where their own attempts to bring about public service reform saw them, in utilizing a World Bank loan, go to the point of inviting in a range of consultants, some external to the region, some external to Jamaica, some from within Jamaica, to have them work with task forces. We have a report coming out of Jamaica a couple of months ago, of a group of advisors set up by that Government, to report on government structure. On page 10 of that report they made the comment that an administrative reform programme, ongoing since 1984, has had disappointing results.

I submit that one of the problems that reform approach ran into, was a problem of insufficient consultation, insufficient concern with the process of reform. It is an error that this Government will not make. Therefore, in charting our own process, we sought to ensure a process which would have ensured involvement, a process which would have allowed public servants at all levels to take part in the determination of the reform agenda and in the implementation of reforms.

How did we proceed to do this? One of the first things we did in February of this year, was to have established an implementation steering committee, which was mandated to manage and monitor every aspect of reform, a committee on which sits representatives of all of the trade unions who represent workers in the public service. PSA, daily-paid workers and Postmen's Union, are all represented on that body. It is a committee which meets monthly; it is a committee which I chair and it is a committee which, over the last 10 months, has been developing and designing programmes for public service reform and has been monitoring those programmes.

**1.25 p.m.**

In addition to recognizing the importance of bringing on board all senior managers in the public service as part of our process, we constituted a forum of permanent secretaries and senior managers, charged with the responsibility of meeting quarterly, to review what needs to happen within their individual ministries, and for them to monitor activities within their Ministries with regard to implementation of public service reform.

That committee of permanent secretaries and senior managers, has continued to meet. They have had five meetings over the course of the last 10 months, discharging their responsibility with regard to reform and particularly ensuring that that consultative process which seeks to involve all was carried out as we had indicated early this year.

Mr. President, we also embarked on a series of retreats. I know that some of my friends on the opposite side are concerned about these retreats; why are they important? Could we not just get the work done? Could we not just get service delivered? The very environment to which some of them alluded this morning, or yesterday, in their presentations, suggested to us, a need to develop a methodology which would allow public servants, at all levels, to feel comfortable with a path of reform and to feel involved in it.

Mr. President, you will recall that as we came into 1992, we met a situation where the level of morale in the public service was low; where there was a feeling among public servants of being emasculated; where there had been a denial, in fact, of some of the court awarded judgements relating to public servants. Quite apart from the very theoretical basis relating to change management, the reality of our environment dictated that we establish a mechanism for consultation with public servants at all times. Indeed, my colleague and friend, Sen. Wade Mark, likes to talk about consultation. That was consultation.

Over these 10 months, we held approximately 70 of these retreats. In so doing, we engaged approximately 12,500 public servants in dialogue about reform. We had to do this to ensure that they felt committed and they had an opportunity to put their mark on the agenda for reform. That is the way we have proceeded, in terms of using a process of involvement. We do not arrive at a point where behaviour is changed, which is what we really want, without going through a set of stages to allow people to examine those behaviours which need to be changed and to feel comfortable with those changes.

The process that we have utilized, therefore, was one which sought to do this. It is a process which takes time. Therefore, we have spent these 10 months

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developing a foundation, basis on which public servants could clearly articulate the agenda for reform and we can move in, thereon, on the implementation of these things.

We also, as part of this very process, identified the mechanism of strategic planning as one of the critical planks on which public service reform would be built. Let me, in keeping with the notion of accountability, go back to my statement in January, 1992, where I said, in the budget debate—

"The element of strategic planning, to which I referred, and which I argued would become a key plank in our implementation efforts, would allow all ministries to look over the next five years to clearly articulate what the objectives and targets are."

Over these 10 months, we have been able to have ministries and departments complete five-year strategic plans. They are in place, they were used as part of the discussion which took place between those ministries and the Ministry of Finance, in arriving at allocations for this 1993 budget.

My friends, particularly in the private sector, who themselves from time to time have sought to introduce strategic planning in their own private sector environments, would recognize the task involved in moving an organization whose culture was not about strategic planning to one in which we have already developed and in place, over 40 strategic plans. That could only have come about through the commitment on the part of the Government to move in that direction and through the consensual collaborative approach which we utilized over these last 10 months. They could not all come out of the sky.

While the very strategic plans which we have now need to be fine tuned, again, it is a normal path that one goes through. In introducing a strategic planning culture, we now have a basis on which we can talk with ministries and departments about resource needs, targets and our objectives.

Therefore, when Sen. Mansoor raises some concerns about the extent to which planning has taken place, the level of thought which has gone into some of the submissions in the budget and other documents, I wish to assure him that we have spent these last 10 months working with ministries and departments, developing strategic plans. We now have the plans and are at the point where we can be talking with ministries and departments about implementing the targets and objectives which they have set. The very strategic planning culture, is one indeed



which would also lay the groundwork for some of the further levels of accountability which some of our friends opposite have been asking for over these last few hours.

Unless one is clear about objectives and targets, it makes it difficult to establish individual targets and objectives and it really makes it impossible to talk about accountability. The strategic planning framework, therefore, which we have introduced over the last 10 months, in our view, forms a fundamental basis on which we can go forward, implementing plans for reform.

Mr. President, in January of this year, I also spoke about the need for some other system changes across the board in the public service. Among those, and again I will quote, I called for a computer application which deals with human resource information systems and said that we will put in place, such a system in ministries and departments in 1992.

Now, where are we with regard to this? Let us recognize that one of the criticisms that we made about the public service over the years has been, at times, the existence of square pegs in round holes; the length of time it takes to get appointments and transfers and so on, made in the public service. All of that is really based on the fact that even as we speak today—notwithstanding the changes that we have already made during the year—the public service continues to manage its human resources on the basis of a manual system.

Mr. President, when we talk about 50-odd thousand public servants and we add to that, 30-odd thousand daily paid workers, we are dealing with 80-odd thousand files. I submit to you that it is impossible to manage a human resource system on that basis. What have we therefore done to seek to alleviate that situation?

Working with the National Information System Centre, a public service agency, we got them to design a human resource information system—a software application—and started loading that application onto computers across ministries and departments. As we speak today, that system has been put into 23 ministries and departments in the public service. Clearly, there were some ministries and departments which did not have the hardware requirements to put that on, during 1992. I will return to that later.

Those ministries and departments which had the necessary hardware requirements and specifications, had that programme loaded on. They have begun the process of collecting the data from the human resource in the public service to

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load onto that computer. In September of this year, we commissioned, at the Service Commissions Department, a larger computer which is dedicated to human resource information systems in that department. That means, that during 1992, we have been able to introduce within nine ministries, a computerized system, and we have also introduced in the central agency, a computerized system.

As of last week, indications are that some 40 per cent of the data relating to people have actually been collated and would begin being loaded onto those systems, early next year. That means, that we have a situation now, where not only is our centralized agency in a position to use a computerized system to manage the skills and human resources in the public service, but we also have a situation in which individual ministries and departments would be also in a position to manage and understand who they have within their system. The importance of this centralized system and the decentralized information system would become more apparent as I get to some of the other issues that we have treated during 1992.

I also indicated in January that in addition to that computerized human resource information system, we were seeking to computerize the registry system in the public service. We recognize that one of the issues which impacted on the quality of service had to do with the speed with which correspondence and queries come into ministries and receive action and results.

Again, working with our National Information System Centre, we developed a computerized registry system which has now been loaded onto some 26 agencies in the public service. The data is beginning to be put onto that system and as more and more files and correspondence and so on get put into that system, we will begin seeing the effects of this in speedier decisions and better quality decisions—in terms of speed—coming out to the public.

**1.35 p.m.**

My point is, that we said in January of this year that this was a direction we were going to take. I can come to you in December and say to you this is where we have gone with regard to this particular indication and target, which we set ourselves.

We also indicated in January of this year that one of the important plans for reform would be the development and introduction of new approaches to training and development. It was a recognition then, that we needed to more effectively

manage how we train, particularly in the area of management training and management development in the public service.

One of the tenets of good management, of training, a development activity, is one which will argue that it is important that we begin that process of developing new management skills at the top of the organization. In short, unless those who manage the system do not understand the requirements for these new skills and are not themselves imbued with these new skills, then it will be impossible to expect people who are trained from the middle levels in the organization to be able to go back and function in an environment that is not receptive to their new training.

We have, therefore in this regard, done two things. In September of this year we designed and implemented a seven-day management training module for new permanent secretaries and managers in the public service who had come through the technical ranks. Why is that important? As I said, unless these people have the skills, we are not going to get anywhere. It was, in fact, the first time that we had mandated that permanent secretaries and those senior managers attend such a training programme. It is going to be repeated early next year as we get another group of 30 persons in, and it will be repeated until we complete that core of persons at that level, requiring in our view, that kind of training development.

The second was to recognize that part of the issue with regard to training and development in the public service, as in other places, has to do with succession planning. The stark reality is that it continues to be possible for someone to become a senior manager in the public service without ever having been exposed to management training. We have now sought to block that possibility.

Beginning next week we start a 12-module training programme which takes up initially some 30 persons in the public service who operate at present just below the level of permanent secretaries and senior managers who will go through over the next seven to eight months these modules geared to provide them with the skills to allow them to advance to more senior levels in the public service; a programme will become an ongoing feature of life in the public service.

Added to this, we have agreed to institute that programme for senior managers in the protective services, and we have also introduced that programme for principals and vice-principals in the Ministry of Education. In short, as we go into 1993, we would have had behind us one comprehensive programme for permanent secretaries, we would have begun a set of modules geared to those

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persons who are about to move into those levels but who, are at the moment, really operating as senior managers in the public service; a programme which has begun and which will continue as a necessary part of this whole package of measures geared to reform the public service.

The issue of reform is not one which can be treated duly dimensionally. It has to be one which will be treated in a holistic manner. I am outlining the bits and pieces we have been putting together over these last 11 months in keeping, indeed, with the statements we made in our budget presentation.

**Sen. W. Mark:** On a point of clarification to the hon. Minister. Could you indicate to this Senate the interpretation of your thinking on page 27 of the *Medium Term Policy Framework*? I will read the paragraph:

"(iv) public service wages have remained in excess of 35 per cent of recurrent revenues thereby constraining Government's ability to devote resources to critical areas of the social infrastructure such as health..."

Could you indicate to this House whether in your public service reform the Government will be seeking to downsize public servants' wages and salaries and retrench workers?

**Hon. G. Draper:** Could I ask that you have some patience so that I keep my presentation going? I will answer your question in due course.

We talked about accountability. I am saying to you what I said in January and I am telling you what I have done. In due course I will deal with what I will do. There is a progression in this presentation. I was at the point of talking about training and development and particularly, the issue relating to management training.

We have also indicated—and this is an issue to which I will return at a later point in my presentation—that one of our thrusts for 1993 and beyond is a thrust in the area of quality and total quality management. That requires a number of things to be put in place. It requires on the one hand, a clarity about what the needs of our clients are, the provision as far as possible of the technology of the physical environment within which public servants can operate to satisfy those needs. It also has a training component, because we recognize the importance of ensuring that those persons who interface with the public need themselves to understand what that relationship ought to be, the dynamics of that relationship and are therefore able to respond in a reasonable way and deliver quality service.

We have opted in a collaborated way to do a number of things in this regard. Because we recognize the large volume of customer contact people within the public service who need to be trained, we felt that we could best achieve our targets for that training through first identifying a core of public servants who themselves would be trained as trainers and who, subsequently, will train other public servants.

As of today's date, we have trained some 65 such facilitators. Yesterday I had the pleasure of inaugurating the first of the customer service training programmes which these facilitators will run for the Treasury Division in the Ministry of Finance. That is the beginning of a process of delivering to those persons who work in customer contact areas, the necessary training to allow them to deliver quality service to the public. It comes out of a vision established for quality service and it comes out from an implementation methodology which utilizes the skills within the public service and which sees training as a critical component of that.

One of the very first things which that implementation steering committee did, which I alluded to earlier, in looking at elements for reform was to accept a recommendation which came out of the Public Services Association, that one of their most critical needs for reform had to do with their physical environment within which the public servants operate. They identified for us what they felt to be some 19 crisis buildings in the public service which were accepted and which we began to treat with, either by way of trying to move public servants out of those buildings—some of them were in fact, already condemned—or, to seek measures to rehabilitate some of those buildings.

The first point I wish to make in this regard is an acceptance on our part of the importance of the physical working environment as one of the other critical elements relating to public service reform and more than this, one of those elements to which we have addressed our attention over 1992. We addressed it not only by way of accepting the Public Services Association statement of those buildings, but we addressed it as well by establishing a special purpose task force on which the Public Services Association had representation and who were asked to make recommendations to the implementation committee and ultimately to Cabinet, relating to a whole range of matters on accommodation in the public service.

**1.45 p.m.**

Indeed, you will find that when you look at the estimates for 1993, within the Office of the Prime Minister, specifically related to public service reform, there is

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a \$3 million allocation which is going to be used purely for treating with these 19, crisis buildings. In other words, those that we have not been able to treat with this year, given financial constraints, we have made an allocation in our budget next year to treat with.

I know that both Sen. Wade Mark and Sen. Martin Daly have a particular concern about one building in which they practise, namely the Industrial Court. I think I said on a previous occasion to Sen. Daly, and I will repeat it, that the Industrial Court is on our list and we have been engaging in discussions with the President of that court, relating not just to improvements in Port of Spain, but to the whole issue of the San Fernando court and what needs to be done in relation to that.

Let us recognize though, that not only particularly as we treat with things like industrial courts, dealing with a situation of financial stringency, we are also dealing with a situation where buildings themselves are scarce. When we recognize the requirements of some buildings, in terms of vault space and other kinds of special arrangements which need to be made, we understand that you do not just walk out in the street and get some other building for government offices.

Therefore in fact, one of the recommendations which the Task Force on Accommodation made, was a recommendation about the development of modular designs for administrative centres, in Tunapuna, San Fernando and some other areas. The concept there, being to pull together in one place a number of government offices, including Inland Revenue Departments, post offices and other departments like that, which could better be housed in one place for security reasons and also in terms of saving on expenditure.

That broad recommendation has been accepted by Cabinet and we are seeking to determine the best mechanisms to move forward with it, in terms of funding. That Accommodation Task Force also made recommendations relating to the sale of government houses, a proposal which Cabinet also accepted. We have already begun to take steps to divest government's portfolio of houses, and a number of properties, some of which have been dilapidated and left in a state of disrepair for years, would go on sale very shortly. That task force also made recommendations with relation to the rental which government officers would pay for accommodation in government buildings.

The point I am making here is that coming out of our consultative process, the importance of accommodation, we moved to treat with that issue. The task force reported, Cabinet has accepted the recommendations of the task force and we have

already begun to put those recommendations in place. The issue therefore, of the physical environment has been treated with in that way.

In January 1992, I also talked about the importance of laws and regulations which seem to engulf the public service. I quote:

"We recognize that these laws and these regulations would also need to be changed, so that they are brought in place for a modern, efficient and productive public service."

At that time, I had projected that during the course of 1992, we would seek to bring to this House revised regulations and bills relating to the public service. At this point, we have not brought those revised regulations and laws to this House. The reason for that is that as we have proceeded as we have done over the course of this year to revise those laws and regulations, it became clearer and clearer to us that we needed to be clear about one important piece of human resource management philosophy, before we brought to this House a complete package of change, relating to those laws and regulations.

Therefore, in September 1992, I came to this House and announced that a Cabinet committee was asked to look at the whole area of human resource management agencies in the public service. Specifically, we set up a task force again, a public service private sector grouping with union representation, both the PSA and NUGFW on that committee. They were asked to look at the operations of the Service Commissions Department, parts of the Organization and Management Department and the Personnel Department, and seek to determine whether we needed to establish a different mix of those services, to better manage the human resources in the public service.

It is interesting to note that that committee was asked to report back to Cabinet on October 30, 1992. I received a report from that committee, on October, 29. That committee's report is currently before Cabinet and coming out of its recommendations—some of which speak indeed to rewriting of policy directions, and some of which speak very specifically to the legal and regulatory implications of the recommendations—Cabinet would shortly be making a determination on that basis and would allow us therefore, to finally go forward with a completion of the work and the revision of regulations to come to this Parliament.

In a sense, therefore, what we were doing was ensuring that we had spent enough time reflecting on policy and philosophy areas, as they impacted on human resource management, so that when we came here with our measures we

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would come here with a complete package. While our 1992 target in relation to the laws and regulations may not have been met, the work has continued and we would be able to bring our proposals for revision to the Parliament in 1993.

I also indicated back in January and again I quote:

"We intend in 1992 to begin the implementation of new approaches to performance appraisal in the public service."

It was a signal that while again we talk very glibly about the importance of performance in the public service and rewarding performance, we cannot move forward until we put measures and mechanisms in place which allow us to measure that performance. We are doing that.

Let me also point to the fact that the very strategic planning framework that we have established in the public service provides one of the foundations for the movement towards that performance orientation in the public service. We have moved also to treat with the individual performance appraisal system.

I hold a draft manual at this time which has been developed specifically for the purpose of introducing into the public service, a new performance appraisal system. This manual is currently being tested in the Ministry of Agriculture, Lands and Marine Resources. Again, let us understand why we need to do this. We cannot simply say—notwithstanding the consultation which has gone in to this manual including PSA's representation—we have developed a new manual, let us introduce it.

We recognize that a change of this magnitude requires time, preparation and some testing, but more than this, the movement in this manual requires us to establish for every job in the public service standards of performance. It means therefore, that we need to take time testing the methodology we put in place to develop standards for the public service. This manual also calls for a very high level of consultation between supervisors and subordinates in the process of appraisal, recognizing that we are coming out of a culture of confidential reporting, where such consultation was not really taken up as part of that process. We needed to ensure as well that supervisors and subordinates understood that process and felt comfortable with it.

In addition to the establishment of those standards, this manual also calls for the determination of objectives and targets for each worker in the public service, to be agreed on between supervisor and subordinate at the start of the appraisal



period. Given the nature of those changes, it is our view that we need to spend some time testing the system before introducing it across the board in the public service.

Our expectation now is that the test in the Ministry of Agriculture, Lands and Marine Resources will proceed until June, 1993, at which time we can review this manual and start the introduction in the wider public service. It is really at that point when we have put all these pieces in place, that we can talk seriously about having a performance-oriented public service, one in which rewards and incentives are tied to the performance of individual workers. It cannot just happen.

Yesterday, Sen. Carol Mahadeo alluded to Sai Baba and his ability to have things come out of the palm of his hands. You cannot change organizations that way, unfortunately. It takes time, care and consultation, and that is what has been happening over these last 11 months. This performance appraisal system is one of the indications of the care, time and collaborative effort in which we are engaged, as part of public service reform, but we said in January, that we would begin the introduction of such a system in 1992. I come here today and say to you that we have begun the introduction of that system in 1992.

We had also indicated, and I guess I could also say, and perhaps for the benefit, particularly, of my friend Sen. Mansoor, let me read one piece in here for him because he is very concerned about value for money auditing and all that. It states:

**1.55 p.m.**

"Among other things, in dealing with issues of standards, when we talk about the consideration for standards for individual levels of performance, we talk about the following which will be used as guides:

- (1) the quality of output;
- (2) the quantity of output;
- (3) timeliness; and
- (4) effectiveness in the use of resources".

One of the corner-stones of value for money auditing is this business of effectiveness and efficiency auditing, where efficiency speaks to the issue of: have we used the resources that ought to have been used in delivering and producing

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goods and services? Not only are we enshrining it, therefore, through the mechanism of our strategic plans, at the level of our individual performance appraisal system, it has found its way into our reform proposals.

Let me now turn to one of the other issues that I have identified as important and that we are going to work on during 1992. Again I quote:

"We are also painfully aware that one of the elements under which the public service currently operates is a classification system that goes back to the 1960s."

When we speak at times about issues—and again Sen. Mahadeo made a comment in passing yesterday about remuneration levels in the Inland Revenue Department and things like that—we are at a place in our history when we have to pause and look at how jobs are arrayed in our public service, an organization larger than any conglomerate we have in Trinidad and Tobago. The Ministries of Education, Health and Works carry up to 15,000 odd workers. That is the magnitude of the organization with which we deal and, therefore, it becomes important and imperative that our approach is one of caring, one of consultation and one of involvement, which is what we have been doing. In the area of classification, we indicated our intention to move in this direction and we have so done.

We also indicated—and I did in my presentation—that we needed to be more mindful of elements relating to cost and cost recovery. I said then that as a part of our implementation of reform, we would be looking at the public service in terms of cost centres and seek where possible to have some more meaningful return for services done in the public service.

Again, you will note that very often we would come here and ask for moneys to be expended on (a), (b), (c) or (d). Part of Sen. Carol Mahadeo's plea yesterday was: Could we pay some people some more? There are indications coming from the opposite side that we need to treat with issues relating to the arrears. I will come back to that in a while. However, one must recognize that in all of this we have, in very many places in the public service, kept the price of services at levels of 20 and 30 years ago. We cannot be increasing the expenditure and investment necessary to keep that public service going, unless we are prepared to deal with the elements of what it costs to provide some of those services.

So, Mr. President, a number of the measures contained in the miscellaneous category of items really came out of the work we undertook in reviewing cost

centres and revenues in the public service. It was to our mind a necessary part of our reform activity.

We also indicated in January, that we had moved towards ensuring that joint consultative committees are established within the public service, a recognition that the call for those committees dated back to 1973, a recognition that in most cases they had not been operating. We set ourselves a target of ensuring that those committees become operational by the end of 1992. As of today's date, we have 19 ministries in which they are currently operating—in which both the union and management have put their people in place and where they started to meet. We have five where the committees have actually been formed and meetings are yet to be held, and 8 where, in many cases, the staff side needs to be named. It is my view at this stage that by year end we may run short of our target by perhaps four ministries or departments.

I want to link this particular development to a concern raised by both Senators Daly and Mahabir-Wyatt—the issue of industrial relations. While this does not treat wholly—and I will come back to treat with some other elements of it—with the concerns raised, one of the intents of this particular measure is to ensure that we establish a non-crisis forum within the public service in which union and management can meet to treat with issues which otherwise may become contentious and, perhaps, get into grievous machinery.

In our view, therefore, the introduction of joint consultative committees, to which we committed ourselves in January and to which we have worked over these last 11 months, will be one important plan in providing a measure of industrial relations peace and stability in the public service. Let us recognize that, as with so many other of our measures, we have sought to go about this task by using a mechanism which brought together union representatives and public service representatives. We are well on the way to ensuring that these joint consultative committees operate and operate effectively.

I have already alluded to issues relating to the human resource management function in the public service and would just wish to say that as we move to bring about reform in that area, the directions that we propose to go will be directions which will allow us to have a much more co-ordinated centralized function, as well as a decentralized system, because we have already begun to put in place, again using the Ministry of Agriculture, Lands and Marine Resources as a pilot ministry, a human resource management unit, which will allow individual ministries to have more power and authority over matters relating to elements of

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the human resource management function. So, it will be a co-ordinated, centralized, well-streamlined centre, decentralized to allow speedier decision making as far as human resource management function is concerned.

Mr. President, a number of these measures which we have alluded to which will come into fruition or which have come into fruition—the strategic planning, a look at resource, efficiency, the work that will take place in the job classification exercise, all of these things—will allow us, perhaps for the first time to take an objective look at the size of the public service because up to now we have tended to approach this matter in a very emotive way.

**2.05 p.m.**

The *Medium Term Policy Framework* and our own plan for public service reform into 1993—I think Sen. Wade Mark quoted part of it—where it talks about our now looking at what services the public service will provide and determining what mix of skill and numbers of skills we would require to provide those services. Once we have done that work, on the basis of the objective evidence we have before us we can treat with the issue of the size of the public service and that is where we intend to go into in 1993.

I would also wish, particularly, to make reference to the issue of procurement that Sen. Daly raised this morning. It is interesting, indeed, that only last week I had the pleasure of being briefed by a consultant who comes out from one of the EEC countries making recommendations on procurement and changes in procurement in the public service. That came out, again, of one of the projects which I indicated about in January of this year when I talked about a project management, cycle project, looking particularly at improving project management skills in the public service but which also took account of procurement issues.

Mr. President, we now have that consultant's report and while I have not gone through it myself and compared it with the EEC paper that you have talked about, I have no doubt given the background of that consultant that he would be pointing us in that direction. Suffice it to say, however, that the issue of procurement was one of our reform issues and that we have moved in 1992, to get the kind of advice which would allow us to start in 1993, implementing new approaches to managing the procurement system. Therefore, a number of the fears which Sen. Daly raised, I suspect would be raised as we started going into that implementation.

I would also like to say to the Senate that the budget has made allocations for public service reform very specifically and some of those elements include, as I said, the classification exercise, the accommodation issues to which I allude, increased training and, also, speeded-up computerization in the public service. Because I know I would have indicated in this Senate at another time that one of the pressing issues in the public service has to do with the issue of computerization. We now have an allocation which would allow us to start, because, again, given the size of the public service, we need to take time to do things like phase out manual typewriters and put in PCs, which can speed up work and improve quality.

As I look forward to 1993, therefore, Mr. President, among the elements which we have indicated are the classification exercise, the restructuring of the human resource management functions, the introduction of the performance management system, the quality focus and I would just like to add that we have taken a decision that one of the ways in which we can help accountability in the area of quality, is to identify individuals within ministries who would be named as persons for customer contact in areas relating to customer service. That will happen in 1993. So we will know where and who one can turn to in areas relating to service.

The management development focus, Mr. President, will continue in 1993. We have a team of permanent secretaries and senior managers working on the development of new financial management and budgeting systems. Their completion target date is March 31, 1993. The procurement system is included in our list, the human resource information system.

Let me also point this out to this honourable Senate, Mr. President, that again, in collaboration between the private and public sector, we have now established small implementation teams who would be going into work with Ministry implementation teams to ensure the implementation of the targets set in Ministries' strategic plans.

Essentially, Mr. President, what this involves is the establishment which has taken place over 1992 of changed teams in all Ministries and departments, to assist them and provide them with some of the consulting help they may need, we have now been able to pull together public and private sector teams in a mix of skills targeted to the specific needs of individual ministries and they will work together through 1993 to ensure the implementation of the strategic plans which

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have been developed. So it is not that we have established the plans and have left them in isolation. We have now put in place not only mechanisms within Ministries, but mechanisms across the public service to ensure implementation.

My friend, Sen. Mansoor, in speaking about accountability, also spoke on the issue—and I started alluding to it a little while ago—of what he called value for money auditing. Value for money auditing goes by different names; one other name is comprehensive auditing, which really means the same thing. In February of this year, in putting to Cabinet our proposals for work in 1992, we included the following under comprehensive auditing:

"As part of the institutional strengthening process, and bearing in mind the increasing focus on accountability, the system of comprehensive or value for money auditing will be revitalized. Public sector managers, in addition to having the responsibility, will now be required to ensure efficiency, effectiveness and economy in the delivery of their services."

Following on from this, the Auditor General's department, which, like other parts of the public service, went through their own retreats and have written their strategic plans, have clearly indicated speeded up work in comprehensive auditing as part of their own plan over the next five years. They have also, I would say, indicated in that plan a need which they feel for revision in their own audit ordinance and that is an issue which we will address.

However, we need to recognize that as we move towards really putting in place a culture of value for money auditing—again, a number of things need to take place—some training, which is going on, the establishment of clear standards, audit criteria—as my friends in value for money would talk about—these things are being established and, therefore, as we move towards implementation in 1993 and beyond, we can truly get on that path.

Mr. President, what I have sought to do here this afternoon is to identify for you and this Senate, what we said we were going to do. I have identified for you what we have done, and I can also say that my colleague, Minister Valley, has put in a management audit department in the Ministry of Local Government, which further strengthens our own commitment to value for money auditing.

So that over the year, we have moved, recognizing the pain, the process that has to be involved in implementing reform, to have started the implementation of reform. We have done that through the ongoing involvement, consultation with unions, with managers, with workers at all levels. Indeed, I would also say to Sen.

Daly and Sen. Mahabir-Wyatt that over the year, we have ensured ongoing dialogue, not only within the context of public service reform, but generally, in the context of economic development and growth—we have ensured ongoing consultation with NUGFW and the PSA. While the budget does not speak specifically to the issue of arrears for public servants, the Minister of Finance some months ago led a team of ministers in dialogue with the Public Service Association. We are clear, and the Minister of Finance has said it, that over the next 18 months we do not see ourselves able to meet those demands for arrears, but we are prepared, as we will do, to continue that dialogue with unions.

Reform, Mr. President, takes many paths. It must be holistic. It has begun. I trust that what I have been able to do for this hon. Senate today is to indicate a sense of accountability, of coming back here today and clearly indicating what we have done against what we said we would do and pointing the way for the next stage forward. As I end—

**Sen. Spence:** Since the hon. Minister says he is ending, I wonder if I could ask him these quick questions, how is it possible to develop a strategic plan before you have a policy and a plan for the particular Ministry—in this regard I refer to agriculture.

The second point—again, referring to agriculture—has there been any thought given to a separate criteria, in fact, a separate sub-service for the research division?

Thirdly, is there any thought to the more frequent advertisement of vacancies, particularly at the professional level in the public service, the advertisement of posts? At the moment, a young graduate comes out, he writes in and then two or three years later he may get called or what have you. Are vacant poses going to be advertised, particularly at the professional level?

**Sen. Draper:** Mr. President, in relation to the first question, while the policy that the Senator refers to has not been completed, what the Ministry of Agriculture, Land and Marine Resources now is calling an indicative kind of statement—not a full plan as yet—was able to address many of the administrative type of issues which the ministry felt that it needed to deal with, notwithstanding that wider policy framework.

Indeed, I will say that some ministries—the Ministries of Agriculture, Foreign Affairs, Energy, and Education for instance—have not fully completed their plan,

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because task forces are still working on policy documents. They were, however, all able to begin the process and the dialogue, so that there are some broad directions which have begun to emerge even from those ministries.

With regard to the research posts there will be, I think, two levels at which that will be treated. One is, in fact, in the classification exercise, because there are a number of places in the public service where we sense there may be justification for looking at that kind of thing, and, therefore, the classification exercise will treat with that.

With respect to the issue of advertising of posts, among other things, one of the things that we have asked the Service Commission department to treat with is the manner in which the posts are advertised, the aesthetics of the ad. So that, yes, that issue is being addressed as part of the service department's strategic plan.

Mr. President, so that you have do not tell me that I am flying or any other such thing, permit me to thank you for your indulgence and to leave the Senate with a continued commitment of the Government to continuing the process it has started for implementing public service reform.

**Mr. President:** Until you received the distress signal, I was about to congratulate you on the fact that if after rightsizing you can land on such perfect time, the Public Service will be well off again.

**Sen. John Rooks:** Mr. President, I have read the budget speech as well as the *Medium Term Policy Framework: From stabilization to growth 1993—1995*. Page 2, paragraph 2 outlines strategic policies as follows:

"The strategic initiatives underpin the medium term programme. These are: (a) enhanced fiscal discipline; (b) reliance on the private sector for incremental investment; (c) exports as the major source of growth and employment. Accordingly, the MTPF places major emphasis on policies and measures aimed at: (i) strengthening external competitiveness; and, (ii) buttressing export oriented economic growth with a stable microeconomic environment..."

Many big words, but words is all they are. There is no meat to them. They gives no guidance to the private sector of what is expected of them. They do not say what Government is going to do, how they are going to help. Because they agree they are going to facilitate business, but give us some details, give



us something we can hold on to, something we can aim at. As far as I can see, it is just a bunch of words.

I have heard that the multi lending agencies have recognized our shortcomings and approved the loan of \$27 million for strengthening the public sector and the bulk of this, \$20 million, will go for private sector requirements, to meet the challenge of updating machinery and systems. The World Bank has also been pressing for this but the Government does not appear to understand. I have heard nothing of this in the private sector so far, but I have heard there are many computers going into Government. I think there are some that the private sector should be getting as well and some programmes to go ahead with.

Japan has also allocated an additional \$20 million for private sector credit as an adjunct to this loan and for the same requirements. Mention is made of this on page 33 of the budget. This is what the private sector needs, and it costs much less than buying additional equipment when you do not know how to use it properly. There needs to be investment in business technologies, clear definition of objectives and a strategic planning focus.

Mention was made in the budget of a substantial shortfall in the collection of VAT. No doubt a large portion of this is due to the widespread practice of asking the customer if a bill is required. If it is not, then no VAT is charged, and a 15 per cent reduction in the cost is a very strong incentive to the customer. No doubt the VAT was paid when the goods entered through customs, so this cost is added to the actual landed cost, and, therefore, included when the retail price is calculated.

As an example, an item of which the CIF value is \$87, add 10 per cent duty, 20 per cent stamp duty has an landed cost of \$113.10, which attracts 15 per cent VAT, \$16.96, for a total of \$130.06 to which must be added three per cent local handling and, say, 50 per cent for the retail mark up, giving a total cost to the purchaser of \$200.94. He goes away feeling very happy with himself that he has saved \$30 by not paying the VAT. In actual fact, he has paid the same price that he would have paid if he had paid VAT legally.

Take the duly paid CIF, \$113.10, mentioned before, add this to this three per cent for local handling, \$3.39, gives a true landed cost of \$116.49. Add the same 50 per cent mark up, \$58.24, gives a selling price of \$174.73, plus 15 per cent VAT and it comes out at the identical thing, \$200.94. He has paid the VAT, but not to the VAT office. VAT is never returned to the office because there is no bill paid. That extra \$30 goes into the person's pocket who owns the store and it is never

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reported. So not only has the VAT been robbed, but Inland Revenue has been robbed, because that does not go into the return made in sales at all. So when somebody offers you a bill with no VAT, forget it; you are paying more than you should be paying and you are robbing the country and hurting yourself, because you are going to get more taxes in the end.

Mr. President, at last the Fedchem/Trintopec/Tesoro dispute has been settled. But at what a cost and for political expedience. We take a settlement of \$30 million, the cost of which was to assume responsibility for \$60 million which by the time of settlement has escalated to \$78.6 million. So all the hoorahs that we heard about having got back \$30 million from Tesoro has cost us a lot of money.

Mr. President, this is the bad part expressed in the budget. The good part is that the Government has at last adopted the concept which I have been expressing for the past five years that is to make our taxation on the oil industry so that we will be competitive on the world market for the investment dollar. We only have to take a look at the top companies which are once more taking an interest in our industry and their plans for 1993, some of which have already started and others are due to start in 1993. Obviously, they are as optimistic as I am: Oil and gas in large quantities will be found in the years ahead and the investor will make a decent return on his investment. As I have said before, God must be a Trinidadian because we are going to find something, sure as day.

I note on page 33 of the budget that the National Business Advisory Board has been formed to co-ordinate the operations of the IDC, EDC, Tourism Development Authority and the Free Zone Company. I would like to make some comment on the Free Zone Company, because I have had some experience with this. You see, the free zone company had—and I think still has—the potential to solve the unemployment problem and should be very strongly promoted. Unfortunately, the previous Government was not serious about wanting the free zone, even though there were 22 companies on the list of interested parties which would require 15,000 workers—and that was just to start—for whatever reason, no funds could be found to buy or lease land, put in the infrastructure and one by one the customers disappeared. But at the same time, \$6 million was found to revamp an old warehouse at the docks for cruise ships that never came.

The original plan was to utilize 360 acres at Point Lisas for the free zone. This will not work as there will be logistical problems in getting workers to and from this location from various parts of the country. If this property ever got filled, the

infrastructure in that area could not cope. For the size of Trinidad, the distance from seaports and the airport is of no importance. Therefore, there should be several free zone areas. No more than 30 acres in each, but placed where the population resides, so as to minimize travel distance for the workers.

There is a excellent UNDP manual on what it takes to make a free zone successful. The Free Zones Company has a copy of this and I think it should be followed very carefully.

Of the 22 interested companies previously mentioned, ten were local, three from the United States, eight from Hong Kong and one from Taiwan. There was a public outcry at first when the free zone idea was announced, regarding “slave wages” and “sweat shops” which were soon disproved and the hue and cry died down. The Act provides that wages in the free zone would be no less than those being paid outside of the free zone.

A visit to the Far East provided the information that wages in Hong Kong and Taiwan in 1988 were 20 per cent and 40 per cent higher respectively than Trinidad's highest wages in each of 10 categories.

There was also a lady who came in afterwards who said she had worked in Korea in 1983/1984 and she gave a description on television about slave wages and slave conditions, sweat shops, *et cetera* and she was probably quite correct. But this was 1988 and the free zone was started in Korea in 1983, so she may very well have gone through that at that time but Korea is not the same today, nor is Hong Kong, Singapore, Taiwan or Indonesia. All of them run first-class organizations in air conditioned environments and that just does not fit in a free zone any more. As I said, the Act calls for no less than the same wages as are being paid outside the free zone in Trinidad will also apply inside.

Whilst we were in Hong Kong, we were approached by a group of 10 non-Chinese businessmen, all of whom had been living in Hong Kong for 20 years or more and they were anxious to find a new location for their businesses, as they did not wish to stay in Hong Kong after 1997. They US \$100 million which had been allocated for the purchase of land, installation of infrastructure and putting up buildings to continue their businesses as expressed in our Act.

Now, there is no reason why the law should be any different from Hong Kong because Hong Kong law provided a strong guidance for us as to what we wanted here. Their one request was that they be granted Trinidad and Tobago passports, because they planned to make this their home. So 10 families would be moving

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here from Hong Kong. All of these gentlemen had excellent reputations in Hong Kong. Eventually, they were advised after 18 months that they would be given residential stamps in their passports and after three more years would be considered for passports.

One of these gentlemen owned 11 Holiday Inns around the Far East and a couple of hotels in China, as well, and that was one of his 14 companies. So these were not fly-by-night people that we were talking to. We were talking to big people.

Well, since they could not get their passports, no further word has been heard of them. I do not know whether they have gone somewhere else, but this group looked at the United States, Canada, Europe, Malaysia, Indonesia, Mauritius and they decided to come to Trinidad because of our connections with North and South America and Europe and they decided this was the place in which they wanted to continue their lives, unfortunately it has not materialized.

Mr. President, I now turn to expenditure in which I note that the Minister announced an increase of \$51.6 million to \$103 million for housing. I trust that the Minister remembers that in his previous term as a Minister—I do not think he was Minister of Finance at that time—many houses were built, only to be stripped off all their fittings, roof-sheets, *et cetera*, and left as empty shells, to be rebuilt at tremendous cost. I trust that more vigilance will be used this time to ensure that there is no recurrence of this vandalism.

The Minister, in his first item of revenue-raising measures lists a most objectionable levy of 0.25 per cent on gross sales, or receipts for each year. Through you, Mr. President, I will remind the Minister that the petroleum industry has been and still is in a deep recession, since 1982, with a short, slight upturn between mid-1990 and mid-1991, whilst the rest of the country started to hear about a recession in 1984/1985. The result has been that contractors, sales and service companies, associated with the oil industry are still in deep trouble, in spite of reductions in staff, salary and other economies. Some have already shut down and others are still barely holding on with the help of their banks and the grace of God.

How can a Government expect a company which has suffered losses and late payments for many years be expected to find the funds to satisfy a levy? All companies associated with the oil industry are audited for each year by the

petroleum taxation division of the revenue office. So while some companies in this country may be falsifying their books to evade tax, this is not possible with the oil industry associated companies. This levy will put several companies in jeopardy and several are being shut down by their banks with the attendant further increase in unemployment.

**2.35 p.m.**

Mr. President, I would like to read a short paragraph from the Republic Bank Chairman's 1992 annual report:

"The business environment during the year remained somewhat depressed, consistent with a sluggish economy and tight monetary conditions. Although growth of 1.8 per cent in the GDP was recorded in 1991 calendar year, economic growth prospects had not been sustained in 1992.

Indeed, statistics available for the first half of the year indicate zero rate of growth in the GDP. It is unlikely then that the growth level recorded in the previous year will be achieved in 1992.

Investor confidence has waned during the period as uncertainties brought about by structural adjustment initiatives and tight monetary conditions have taken root.

In the last quarter of 1991, external debt servicing and burgeoning imports combined with the uncertainties of a general election resulted in deterioration of the country's foreign exchange reserves. These developments were accompanied by sharp growth in banks credits.

The reaction by the Central Bank was to increase the statutory reserves of commercial banks from 12 per cent to 16 per cent of total deposits; to increase its real discount rates three times within a four-month period from nine and a half per cent to 13 per cent and to place strict limits on commercial banks borrowing from the Central Bank.

These measures combined with development, as noted, led to a situation of tight liquidity with high and rising interest rates. In fact, interest rates during the year, both for lending and funding, have been the highest on record, with commercial banks prime lending rates averaging 15.72 per cent. During the period, as well, borrowing from the Central Bank by the commercial banks peaked at \$469 million.

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Clearly these factors have dampened the investment climate and placed increased pressure on marginal firms operating in the manufacturing and service sectors.

On the other hand, higher interest rates have not generated an increase in savings. Rather, the opposite has occurred since deposits in the system has shown a noticeable decline by approximately \$334 million between September, 1991 and June, 1992. Is this the time to exert more pressure on these marginal companies? I do not think so. You may very well put some of them into liquidation and have further unemployment."

Before I close, Mr. President, I would like to strongly support Sen. Mahabir-Wyatt's comment yesterday regarding Servol in her contribution to the budget yesterday. Servol has done a tremendous job in changing these children from a life of no future to one where the whole of the world is in front of them now—they have a life to look at. We saw those children standing out there, nicely dressed today with pride on their faces. Are you going to take away that pride? Is this Senate going to approve this?

I feel so strongly about this that I want to ask all Senators to vote with their hearts and do not pass this Bill if we do not get Servol's money back. I do not think we can let down those children.

**Sen. W. Mark:** We support that.

**Sen. Rooks:** I do not just mean on this side. There are people over there with hearts too whom I hear saying they care. They should now demonstrate how much they care for these children.

Thank you, Mr. President.

**Sen. John Rahael:** Mr. President, I am excited as I rise to support the Appropriation Bill 1993. Allow me at this time to congratulate the hon. Minister in the Ministry of Finance for a wonderful presentation yesterday and for the document that he has provided each and everyone of us on that speech that he delivered yesterday. I think he deserves our congratulations.

At this time, every year, the budget always arouses strong feeling among business, trade unions and Opposition Members. I recall after the 1992 Budget that economists, trade unionists and politicians were convinced that the budget will not stand. There was talk of an impending devaluation and a second budget,

and on and on they went. The comments this time are very similar—exercise in futility; sleeping budget, and those types of comments.

However, let me point out that despite the expectations of many, the hon. Minister of Finance also failed to announce any increases in direct taxation or in the prices of alcohol and cigarettes. Indeed, by lowering the external tariff and the import surcharge, he has lowered the price of a wide range of commodities.

I am excited because the measures I see in this budget are designed to reduce the cost of living and stimulate employment.

There can be no doubt that incentive offered in the construction industry is already generating much excitement and activity.

Hon. Senators will recall that this recommendation to provide tax incentives to the construction industry came out of the National Symposium On Unemployment and Job Creation; a symposium in which the Senators on that side did not participate.

At that symposium, the National Trade Union Centre of Trinidad and Tobago (NATUC) presented a paper which stated that for every one job that is created on a construction site, six more jobs are created in link industries. These industries include: quarrying, cement manufacturing, reinforcing steel, clay and concrete bricks, pvc pipes, electrical components, windows, doors, paints—just to name a few. So, you see, for every 100 construction workers on one site, 600 more jobs are being sustained. You see where we are heading Mr. President and hon. Senators? One incentive in the right direction will positively impact on so many lives. That is exciting.

This incentive will further accelerate the reconstruction programme which is taking place in downtown Port of Spain and it will cause to be started, construction projects in the residential, commercial and industrial sectors throughout the country. Trinidadians and Tobagonians know a good thing when they see it and I expect nationals, both living here and abroad, to invest in this assured returns in our country.

Yet another stimulating measure which also came out of the National Symposium on Employment and Job Creation is the proposed National Apprenticeship Authority. These are just two measures, so far, that I have indicated that came out of this symposium.

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We are all concerned, not only about unemployment, but also the unemployability of some of our citizens, particularly the youths. The youth camps and the technical and vocational training institutions will be strengthened and upgraded to provide and direct our youths into areas where there are opportunities.

You see, Sen. Daly, what we are trying to do, in fact, is to create an atmosphere where you have business, Government and the labour movement working together to train our people in jobs so that when they are trained they will be able to fill those available jobs which we are hoping that the private sector will be in the forefront in providing.

The point I am making is that this Government is so committed to job creation that the allocation awarded to the apprenticeship school was increased ten-fold in the 1993 budget.

The way we anticipate this scheme working is that if you as a businessman hope that within six or eight months, because of the expansion in your business, because you have now taken up the mantle to provide jobs through the export initiative that you will take, that there will be an opportunity to employ more people, you would then start training these people, and there will be a stipend paid through business, Government and hopefully labour so that we all can work together to train these people so that they will be able to fill those vacant jobs that will exist. It is expected that 10,000 persons will benefit from this measure—and, yes, Mr. President, that is also exciting.

Let me turn my attention to the concerns expressed by the manufacturing sector with regard to trade liberalization. Six months ago when the negative list was completely dismantled, there were forecasts of numerous manufacturing closures because of an expected influx of imported items. I am happy to report that this just did not happen. In fact, our manufacturers have been enjoying for many years, protection in various areas—and that is a point which I will elaborate a little more on as I continue my contribution.

However, it is now being said that the reduction in the CET and the five per cent duty on imported inputs will bring about business closures. The claim is that the additional measures coupled with the new electricity rates will bring an end to manufacturing activities in Trinidad and Tobago. I grant, Mr. President, that there may well be certain industries that will not survive. But indications are that there are others which, when they turn their efforts towards increased efficiency and



productivity, instead of relying on quick fixes, as the hon. Minister of Finance put it, will do more than survive. As a matter of fact, I think they will expand.

**2.45 p.m.**

The Draft Final Report of the Trinidad and Tobago Trade Policy, recently conducted by Maxwell Stamp, speaks of certain advantages in certain industries such as the food processing industry, chemical industry, clothing industry, metal based industry and electrical fittings assembly industry. These industries and others can certainly expand and develop with an eye towards export.

I myself have every confidence that this country's manufacturers will rise to the occasion and assist in moving the economy forward. There is always the tendency to resist change. But I am sure our manufacturers will understand that the economy cannot grow if Government and, indeed, the consumer, is continually asked to protect and subsidize any sector. Just witness what is happening in the public utilities and state enterprises.

On the question of electricity rates, the hon. Sen. Ainsley Mark yesterday made the point that our electricity rates, even after the increase, are by far lower than most in the region. Yet Jamaica, where electricity rates are three times more expensive than Trinidad and Tobago, has over the last decade, increased its exports in the apparel sector from one to 20 per cent of the country's total exports. Jamaica's apparel sector export earnings are in the vicinity of US \$250 million.

**Sen. Spence:** I wonder whether you could tell us what the rate of exchange is.

**Sen. Rahael:** Mr. President, Patrick Fordham Associates, on behalf of the Caribbean Development Programme, did a very comprehensive study on the apparel industry with regard to the labour wage, exchange rate and everything else. I grant that there is a disparity between Trinidad and Tobago's exchange rate and that of Jamaica with regard to the US currency. So that there is a benefit there with regard to the exchange rate, but there are other benefits that we have here as well. However, the employment stands at over 30,000 persons in that sector and that is only one manufacturing sector.

**Sen. Hosein:** Mr. President, I wonder whether the hon. Senator will clarify the question of the apparel trade. When he talks about the apparel trade, people listening may take that to mean the normal run-of-the mill export of garments. I think you are not talking about that, you are talking about the 807 programme. Would you clarify that for me?

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**Sen. Rahael:** Coming from the hon. Senator, I am surprised that he thinks that I need to explain what apparel is. Everyone of us knows the apparel industry is, in fact, the garment and footwear industry. Whether it is 807 or not, it has export earnings of US \$250 million and employs 30,000 persons. So if it means that our manufacturers have to get into 807, then let us do that. Yes, if that is what is required, let us do that.

The point is, we also have to explore opportunities wherever we can to earn foreign exchange and employ our people. Whether that is in 807 or through CBI or Lomé, or the Partial Scope Agreement with Venezuela, wherever we have the opportunity to export, we must do so. It is a matter of focus. It is where we focus our direction. We need to focus that on export, and not only exporting sici yea figs.

Let me lay to rest, here, Mr. President, the concerns about the 5 per cent import duty, and the mechanism for obtaining the export rebate. Now, Mr. President, let us look at this 5 per cent import duty on raw materials. If we are talking about manufacturing, we assume that manufacturers will have a substantial amount of local value added. If we are talking about 5 per cent duty input on imported raw material, let us analyze that. If you are a manufacturer and the raw material that is required for your finished end product is 40 per cent of that product, 5 per cent of 40 per cent becomes 2 per cent. So in fact, the cost to the manufacturer is 2 per cent on his raw material.

Now in other industries like the garment industry, the imported input is between 30 and 40 per cent so, in fact, in that industry the cost can be even less. Now when you start paying 5 per cent duty on imported input, here is what also is going to happen. Previously, in some manufacturing concerns, you required a bonded area and that area is under customs supervision. With the 5 per cent import duty that scenario no longer exists. So it is not every time that you need to open your bond you need to get a customs officer and pay him hours upon hours waiting while your employees remove goods from a bond. The point is, that there would be no need for customs bonding in that factory any more. What that is going to do is reduce your overhead expense, because you will no longer need this customs officer and a guard at times and also the cost to establish that bond.

So in fact, Mr. President, I really believe that if our manufacturers become a little more efficient and creative, then that 5 per cent will reflect in no increase whatsoever to our consumers. Mr. President, how long do we have to go on

supporting manufacturers who, over the years—some of them 10—30 years old—have received protection upon protection from this Government and from previous Governments?

**2.55 p.m.**

There were concessions to duty-free of all inputs. There were concessions by the negative list. There were concessions on high tariffs. There were concessions in some industries which received tax holidays. I mean, is five per cent—when I translate, that should be one per cent or two per cent—too much to ask these manufacturers who have been around so long? What has happened is that we have continually become dependent on these kinds of subsidies, but we have to realize that it is no longer going to work. There will be no subsidies anywhere. We are moving away from that. If the manufacturing sector does not understand that, how do we expect the public sector to understand that? So when I hear manufacturers complain, I wonder. Let us stop being selfish.

Much has been said about the tardiness in obtaining rebates for export. Now granted, previously, when you had to get a rebate from the Treasury, that would have taken—

**Sen. Hosein:** Mr. President, I do not understand the Senator's argument. He comes here and argues for the measure; his brother goes to the manufacturers' meeting and argues the opposite. Where is he?

**Mr. President:** Sen. Hosein, you will be speaking very soon and I think you can make all those points in your contribution. Let the Senator make his contribution undisturbed. It is not necessary.

**Sen. Rahael:** Thank you, Mr. President. I think that is the point. Each person in each sector is looking for his own. So if my brother goes in a manufacturers' meeting and is trying to seek his interest, bravo for him, I say.

Getting back to the point about the five per cent rebate when you export. When previously we had to wait a lengthy time because of the bureaucracy in receiving that five per cent rebate, hear what the new mechanism provides—and again, I am sorry the. Hon. Sen. Gordon Draper is not here to congratulate him on his excellent delivery today and the insight into what he is doing in the public service reform. What has come out of this rebate is, when you make an export and you present your documentation, immediately you would be issued a certificate.

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You would take that certificate and when your next duty liability arises from your next import, you will apply that certificate towards that liability. So we do not have to wait for rebates to come and delays in the bureaucracy and so on.

All that I have said is in order to assist and facilitate the business sector in Trinidad and Tobago. We are doing this so that we can continue our reform, both in the public and private sector so that efficiency will become the order of the day. To me, that is also exciting.

A budget is not only about how we allocate money, but also on how we earn that money. A major part of any government revenue comes from taxation. This revenue is crucial to the government's administration of the country. I also agree with my fellow Senator, Ainsley Mark, yesterday, that it is certainly not too much to ask any business company to pay a minimum of 0.25 per cent of its sales in taxes. Remember, this is not an additional tax. The business levy tax is offset by corporation tax, provided that the corporation tax exceeds the business levy tax. So once the corporation is paying its way and paying its taxes, this business levy tax does not affect it in any manner or form. But if a company cannot pay one quarter of one per cent of its gross sales, then that company's days are numbered.

I know that the hon. Senator yesterday gave an example of \$1 million and what happens, but I would like to give an example of \$100,000. If a small business that is operating has sales of \$100,000 per annum, what we are talking about is \$250.00 per annum. So what is the argument about? If you are doing sales of \$1 million, then you pay \$2,500. If you are doing sales of \$10 million—well, you are no longer a small company—then you pay a tax of \$25,000. I ask you, Mr. President, is anything unreasonable about that? Especially when one needs to understand, as I indicated earlier, that we cannot continue to subsidize any sector.

Any company that is not paying its way and not paying taxes, we are subsidizing it. When I say, we, I mean the taxpayers of Trinidad and Tobago. So if a company sells \$10 million and for whatever reason, does not pay any tax, then, in fact, because that company is availing itself of the facilities that are provided by the Government, whether it is through the Ministry of Industry and Enterprise, or through the police service, or through our roads, or whatever, then we, the taxpayers, are subsidizing that company. Therefore, I think that any argument against that quarter of one per cent, holds no water whatsoever.

To my mind, the measure does not go far enough. We need to widen the tax base to include those businesses that do not operate as a company. What about those who operate as sole traders, as partnerships, or even as self-employed professionals, who do not operate as a business at all? Surely, they, too, can contribute at least quarter of one per cent of their gross taxes. I think Sen. Wade Mark would agree with me.

Sen. Daly complimented us this morning on our bedside manners. For that, I would like to thank him very much. But I would also like to point out that while bedside manners are important, more importantly is dealing with the patient, and we are dealing with a seriously ill patient. At times we have to administer strong and bitter medicine.

It is my belief that business in this country is making a valuable contribution to our national development. Let us reflect for a moment on the resilience and endurance shown by the downtown businessmen after the events of July, 1990. These businessmen put aside their fears and emotions and those who could, dug deep into their savings to start again. Let me take this opportunity to let the country know and understand that these businessmen did not receive any insurance money, nor did they, contrary to public myth, receive any money from Government.

Each one of those businessmen raised his own loan—those who were able, that is—without any Government assistance or guarantee. The loans carried a reduced interest rate. That is all. Those said businessmen continued to work with Government agencies to ensure the orderly re-development of Port of Spain.

DOMA, the Downtown Owners and Merchants Association, worked closely and actively with NIPDEC, the agency assigned to oversee the development of Port of Spain. Part of the development was to regularize the vending in Port of Spain.

DOMA and NIPDEC received the collaboration of the Street Vendors' Association 1990. The Street Vendors' Association assisted in assigning the then street vendors to spots in what is now know as Tent City. This was accomplished in a very structured and businesslike manner. It was made clear to the Tent City entrepreneurs and the business community, that street vending will no longer be allowed. In fact, there was a period that there was no street vending.

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Around the same time, discussions commenced with the tenants of the People's Mall situated at the corner of Frederick and Queen Streets, with the objective of regularizing those tenancies as well. The concept of that is that the tenants will organize themselves into a company, which they have done, and that company will then approach the Government to obtain a lease on the land. They will construct a building to house, in an orderly and businesslike environment, the tenants who now occupy unauthorized structures. Again, DOMA is very supportive of such an initiative as part of the effort to make Port of Spain the business and financial capital of the Caribbean and the gateway to South America.

Mr. President, what no businessman, and indeed no citizen, can condone is the virtual destruction of our capital city by illegal and indiscriminate vending. The very same downtown merchants who suffered great losses in 1990, contracted a private waste disposal company to supplement the efforts of the city council in garbage collection, and the maintenance of a clean and healthy downtown environment.

Some time last month, there was a go slow by the garbage collectors of the city council—Sen. Kwabene is aware of that. While garbage piled up on other streets, there were certain streets in Port of Spain that were clean because of the contract that the businessmen took out with this private disposal company. They were also prepared to decorate the city streets, for Christmas, with costly outdoor lighting. So, it is really outrageous for an ill-informed person to come to Port of Spain, from God knows where, and accuse downtown businessmen of whining. The record shows quite clearly, that the downtown businessmen have shown endurance and faith in our city.

Mr. President, they could not do so without resources, the resources that came out of savings. These savings had their genesis generations ago, when our grandfathers walked from village to village peddling their wares. Sleeping, through the generosity of the people, in their galleries and under houses; sometimes even in trees, when night befell them with no houses in sight; scrimping on savings, they opened their own small one-door business, very much like those today at Tent City and the People's Mall. Even then, they continued with the support of their families, to work after hours and serving the rural customers.

I myself remember accompanying my father on weekends, when he closed the store on a Saturday at lunchtime and went out to peddle in order to supplement his income. It was no 40-hour work week, then, and it is no 40-hour work week now.

The income was not frittered away on new clothes, appliances or on vacation travel. My father, on the rare occasion that he did not bring his lunch from home, would opt for the least expensive meal. You see, he was saving; saving capital for investment.

Mr. President, hon. Senators, this is what we, as a nation, need to do now. We need to work more productively so that the entire country can move forward. The way forward requires hard work, sacrifice and savings for investments. Savings never come from excess, they can only come from doing without, so the future can be better.

We heard so much said that we must save, we need to save, we need to generate more savings, but do we really understand what is required to have those savings? This is what we are called upon to do today. Let us return to long-term planning instead of instant gratification. Let us sow the seeds of a stable nation today, so that we can reap the harvest tomorrow. There are no quick fixes, no free lunch.

With this in mind, let us support our Government as it stabilizes the country and moves it into a future of growth.

**Sen. Daly:** Mr. President, before the Senator takes his seat, would he tell us how the 10,000 persons for the apprenticeship scheme are going to be selected and for what jobs are they going to be trained?

**Sen. Rahael:** Mr. President, certainly the responsibility for how they are going to be selected, falls under the Ministry of Education. The manner and details, I do not have. However, I anticipate that as far as the jobs, the responsibility is with the National Training Authority. That is an independent board that will be made up between Government, labour and private sector. They will be responsible for funding, placing and the administration of the training scheme.

As I am about to close, let me once more emphasize that we need to support our Government as it stabilizes the country and moves it into a future of growth, and to assure the entire country that this is the only administration that can possibly achieve this task.

Thank you.

**Sen. Muntaz Hosein:** Mr. President, today is indeed a black day in the history of Trinidad and Tobago. This is so when I see a group of young, disciplined

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people demonstrating outside, and inside of this Parliament building. These young people who are demonstrating today, are not the mainstream demonstrators that you would normally find in Trinidad and Tobago. I believe that it may very well be the first demonstration of the kind by any Servol group.

It is very sad indeed, that we have come to this stage in the history of our country; that this caring Government has brought us to our knees and has taken the Servol youths, people who Fr. Pantin was able to garner from all the depressed areas in Trinidad and Tobago, and give them hope, life and love. The Government was supporting that by paying part of their salaries, and today we have reached a stage where we have embraced liberalization of trade and that, has brought us to the point where those very same people are unable to continue the wonderful work that they have been doing.

**3.15 p.m.**

It saddens me, because I have a very good relationship with the Servol people. I want to give my support, along with the rest of my colleagues, and to ask the Minister to find it in his heart to give back what he took from those good people so that Servol can continue the good work that they have been doing. I hope that I would not have to make this plea to the Minister privately because he is otherwise occupied.

**Mr. Valley:** Let me just inform the hon. Member, as he can see, I can do two things, at least, at the same time.

**Sen. Hosein:** I am very happy to hear that, Mr. President. I take it that the pleas on behalf of Servol are not going to fall on deaf ears.

Let me simply make a few remarks. The first is to assure my good friend Sen. John Rahael and to let the record of this Parliament show that it is not only Sen. Rahael's parents who know about sacrifice and working hard. I just want to make that very clear. There are other people in this society who have worked equally hard and harder and know about sacrifice. Let the record be aware of that because when you are talking sacrifice you are talking the language that we on this side understand. It does not have any BMW here. I have nothing against the Minister's BMW.

I am quite disappointed with my friend, Sen. Rahael. It is all well and good to come to the Parliament and make a case on behalf of your political bosses and I understand his position. He has got to do that because if he wants the job of the fellow sitting in front he has to do that, naturally. He has been playing for that job for a long time.



**Sen. Rahael:** I never indicated I needed any job. Thank God, I am happily self-employed and wish to remain that way.

**Sen. Hosein:** To come and make a case and make it appear that the exports of Jamaica, of garments, is normal trading exports is a little bit misleading. To come and argue on the one hand for trade liberalization and to privately say something else, and to have someone else from his own company argue quite the opposite in another place, is being a bit dishonest. I will let it rest there. Enough has been said about that. I believe Sen. Rahael, and I understand each other very well and he understands what I am speaking about.

In reviewing this budget and its accompanying documents, and President, believe me, there were many documents, I complain again, that the documents, the Collection of Taxes Order arrived just a day before, in the evening. It does not give Senators enough time to study these documents and to make informed contributions. I ask that this matter be redressed. I know this is something that we have all asked for and have not yet been able to get. I have come to the conclusion that:

"The PNM is a party that can make tidal waves and then try to make you think they are the only ones who can save the ship."

This is taken from a book written by Mr. Chanka Seeteram called *How to Self Destruct without Trying*.

The Minister of Finance in his presentation of the budget told us no surplus, no deficit, a balanced budget. What he forgot to add was, no growth. I suggest that the junior Minister add it in. The PNM once more has gone the way of heavy dependence on oil and has done precious little to diversify the economy. Most of our hopes are pinned on finding more oil and gas and if we do not succeed, then "crapaud smoke we pipe."

### **3.25 p.m.**

The Minister of Finance has taken pains to balance his budget at the expense of people's development which appeared cockeyed and ill-advised. As you would see, every day there are more demonstrations all over the country. Let me remind the Minister of the French proverb, "Money is a good servant, but a bad master."

I will deal specifically with trade, industry, tourism, works, transport, agriculture, lands and marine resources. We are told that the PNM will kick start the construction industry. Page 51 of the budget speech states:

"In an effort to kickstart the construction industry we propose to implement measures that will exempt from personal and corporation taxes all rental income, that may accrue from residential, industrial and commercial properties, the construction of which begins after January 1, 1993 and is completed by December 31, 1994."

Residential units must cost about \$250,000.00 exclusive of land. If you were a developer and you wanted to borrow money to build one of those houses, it would cost approximately 13 per cent cheaper, which equals \$32,630.00 for the first year, in interest payment charges. Rental of such a house in a middle class neighbourhood can only get you approximately \$18,000.00 annually, plus the usual rates and taxes, late payments of rental et cetera. Very simply, you can see that class of developer will not venture into this PNM building boom that the Minister wants us to believe.

However, there is another class of developer, the boys in the insurance industry who are sitting on a lot of money, like Guardian Life and Towers. I understand that Towers is sold out. They have not started to build as yet. They will build penthouses and I understand that they sell for \$700,000.00 per unit. They can claim the tax exemption. DOMA is in that class because of that size of development and they too, can claim.

These apartments and this type of building are limited in number. In this country, there are not many persons who could afford \$700,000.00 for an apartment. I cannot see how that will kickstart the construction industry. It is much too limited in scope. As for commercial and industrial buildings, who will build these days with the exception again, of the burnt out merchants downtown—they are in a different class—when there are many empty buildings being offered very cheap. In this country, there is a stock of buildings at prices you would not believe and rental that makes a mockery of you going to build your own building. In any part of the country you can go, you will find that.

Let us look at the 1992 budget. Page 28 states:

"In order to stimulate the construction sector as means of reducing unemployment, it is proposed to introduce an allowance for homeowners who spend on repairs to their owner/occupied residences. They may claim tax relief on the amount spent up to a maximum of \$12,000.00 per annum."

I just quoted the Minister of Finance in the 1992 Budget.

I remember that Sen. Pundit Gosine who is not here today, made a comprehensive case to show how this would work and how many jobs it would create. What has happened with this measure? Perhaps, the Minister in his winding up will tell us how many jobs that created. If that was so, why then have they scrapped it? Why have they removed it?

Something is wrong. Somebody is fooling somebody here. The truth of the matter is that it was a big flop. I am predicting that the kickstart they are talking about in the 1993 Budget will also be a big flop, save and except the downtown merchants who are going to build anyhow, and the insurance boys who are just waiting, because they are going to build anyhow. Outside of that it will be a big flop.

How can the Government talk about kickstarting the construction sector and charge higher stamp duty on transfers of property, and reduce the limit of mortgage interest for homeowners, from \$36,000.00 to \$24,000.00 per annum? This is an immoral thing for this Government to do. After having given its word to the population, people went and took out their mortgages based on that incentive, and one year later, the Government comes back to Parliament and say it is taking it back. You can only get \$24,000.00 now.

**Mr. Valley:** Mr. President, on a point of order. Government did not bring in an exemption of \$36,000.00 last year. That has been so since I think 1988 when it was reduced from \$40,000.00 to \$36,000.00. It was not something that we brought in last year.

**Sen. Hosein:** The point I am making, and the Minister understands that, is that they have taken it away. You are now saying \$24,000.00. Is that not true?

When someone enjoys a benefit and then you take it away from them, if it is the boom years, you will not have much of a problem, but there is no boom. There is not even a puff now. This Government is pressuring the middle income people who are already called the new poor. These people will have to re-negotiate their mortgages and some may even have to curtail the essentials to accommodate this new tax, but more importantly they will lose confidence in this new Government.

That is the important factor because they would somehow deal with their problem. It would be difficult, but they would deal with it. This Government does not understand that the population's confidence in it is already low. When the

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Government takes measures of this nature the stocks go lower and the confidence of the people will be reduced.

What the people of the country are saying, and you are hearing it every day, is that it appears that this Government does now know what it is doing. When you take measures like this, you are confirming what people are saying. One middle income earner told me that every government for the past 36 years, treats them as the tax jack-ass of Trinidad and Tobago, born only to be ridden to the hilt.

**3.35 p.m.**

Let us look at venture capital investment—tax relief for exports. This idea sounds good, but who will put their money in high risk export projects when interest rates are so high? If the Government is serious, it will have to take equity in this venture and encourage other financial institutions to do likewise, but it must come up with a sound plan and state clearly which industries it plans to target and also do feasibility studies to support access markets, et cetera. Then they will have a chance of success because we are looking at high risk areas.

In the budget speech, the Minister of Finance quite rightly pointed out that people looking for that kind of financing would have great difficulty getting it from the banks, because the banks would not want to take that kind of risk.

This Government has managed the economy so well that the result shows an increase in unemployment to 20.2 per cent. When you hear Government Members one after the other, you would think that the unemployment rate has fallen to 15 per cent. When you hear the adjectives used to describe the Minister of Finance as some kind of god and then you look at the results, it is a different story. The results show that he is not doing that well and you can look as best as you can to find in the budget speech or the Public Sector Investment Programme, any indication of how many jobs they intend to create in 1993, but you will be as disappointed as I am, because there are no figures to tell. The only figures that the Minister can boast of are LIDP jobs of the 10-days variety, and that is embroiled in bacchanal, favouritism, nepotism and downright discrimination.

Let us look at page 36 of the budget speech where the Minister talks about a National Apprenticeship Scheme, where we will spend some \$30 million in 1993 and talk about 10,000 persons benefiting from this project. The words are chosen

quite nicely, "...will benefit from the project". Perhaps, the Minister will explain in his winding up what he means by "benefit". Will 10,000 jobs be created?

**Sen. Ojah-Maharaj:** The programme is intended to offer training, not jobs as such, and the training will be for different periods, in some cases of weeks, months and years, depending on the craft.

**Sen. Hosein:** Thank you my good friend, but I was really directing the question to the Minister. If you have taken promotion, I do not mind. I know that you want to get there fast, but take your time, you will get there.

It may have appeared as though those were jobs to be created. Those were not jobs created, they are benefiting from training. I like this project very much but the only problem with it is the lack of a national job plan, which will be able to tell us what type of jobs will become available each year, and in what amounts, so that we can educate and train for our needs well into the 21st century. You just cannot train people. The Government before this one did quite a lot of that. It called some of them YESS, YTEPP, no, maybe. I do not know all the names. So that there were quite a number of these and with all of that training the people are still outside with no jobs. We are seeing that this PNM Government has taken the same NAR pattern and doing the same training, but it has no plans for these youths after they have been trained.

It is important that our education system must be part of the training and for a total plan of the country, which will tell us what our needs are. We need to know how many doctors and dentists we will need five years down the road. If we have that kind of data, then the training will make sense, but without that kind of data, the training, to me, does not make very much sense. Perhaps, the Minister in his winding up will tell me if the Government has that data. I would be very glad to hear it. If it does have it, I would have thought that it would have put it in the budget.

Mr. President, without this type of planning, I am afraid we are shooting very much in the dark and may contribute to frustrating these youths even more than they are at present. Of all the plans in the budget, I believe that the Civilian Conservation Corps has the best chance of success and I wish the Minister well with this one. I will be looking with interest to see how it is going to be managed because I think that in that one we have a real chance of training some people and getting something done properly. As usual I have my doubts because the fellows

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on the other side are great talkers who do very little. I hope that they prove me wrong and do some work. *[Interruption]*

You are right. I did not think you were going to squander so much millions of dollars in the early days and you did.

The Minister of Finance on page 50 tells us about VAT exemption for imported inputs of capital goods for companies which export more than 80 per cent of their production to reduce, he says, the cash flow problems of these companies. He further went on to say—I do not know the exact words that he used, but it is more of a humbug for the VAT office to deal with these matters. Why do this for only a few selected firms, when all the Minister has to do is to shorten the time lag for refunds and all will benefit from this measure? I recommend to the Minister that instead of doing it for a few, do it for everybody. Just give back the people their money earlier and everybody will benefit and every company will get a better cash flow, rather than do it for a few of the boys.

**3.45 p.m.**

Mr. President, the Minister made a passing remark about NAFTA. We on this side of the House would like to know what Government's position is on NAFTA. Are we going to join and, if so, on what terms? Are we going with Caricom or are we with the new grouping of Barbados, Guyana and Trinidad and Tobago? Or are we going it alone. Tell the business community your plans so they can start thinking and making plans of their own, if we are going to join NAFTA.

Trade liberalization does not have to be so painful. If the Government—this one and the one before—had taken the right steps to advise the social partners early of its intentions and presented a comprehensive plan to indicate which industries would be kept and which will be allowed to die and to formulate a comprehensive retraining exercise to place those workers who will be affected, into other jobs. In other words, prepare well in advance, Mr. President, for this problem.

What happened instead, is the People's National Movement squandered the nation's wealth, forcing us to go to the IMF and the World Bank and no plan is in place to deal with the problem. So we find ourselves at the mercy of these heartless bankers. That is where we are. Sad, but this Government's predecessors, the fathers of the ones who sit here today are the ones who have us in this mess that we are in today because they squandered the national patrimony, this country's money, and these are the results. When you have money and you throw

it away, that is when you have to go to the IMF and the World Bank. Now they come and cry long tears.

Mr. President, the Minister of Finance wants us to believe that the Public Sector Investment Programme will help fuel the growth in the economy, but this programme is contingent upon borrowing more money to pay more debt. So we are borrowing to pay debts and we are borrowing for the PSIP, but the track record shows that Government never spends what it says it will spend.

If you look at all of the previous budgets, you will see, as a matter of fact even last year, capital expenditure was 31 per cent lower than budgeted. So that the PSIP—I mean the Government says it is going to spend \$900 million. How much of that are we really going to spend? When are these loans going to come? Will they come in September? If they do come in September, how much of that can we then spend? You see where the problem is. It is much easier if you have the money in your pocket. You could say, "okay, fine, from January 1, we are gone, and we could spend the \$900 million". But when you are depending on loans, not to talk about the dependence of the budget on US dollars per barrel of oil, that is what the budget is based on.

Now, what happens if Iraq joins OPEC, Mr. President? Iraq will join OPEC in April or May and then what happens, oil prices go tumbling and we would be in trouble. So what happens to the budget debt? One of the things that the Minister forgot, or very cleverly left out, when he was talking about how well he did and so on, and how he did so well, he paid all his bills and so on, he forgot to tell the national community that the budget of 1992 was based on US \$19 per barrel of oil. But we got more than that during the year, so he had more money to play with, but he did not say that. He would not say that at all. But I can say it for him.

Mr. President, last year capital expenditure was 31 per cent lower than budgeted. So what makes 1993 different? Perhaps the Minister will tell me what makes it different. Will we get the money we want on time and be able to spend it make a difference?

Mr. President, the other route which the Minister expects the economy to grow from is the private sector. But let us see what he does. He wants the private sector to provide employment and growth, but let us see his action. Look at how he encourages the private sector to invest: He taxes them more. That is what he does. He said, "come on boys, invest, provide more jobs, but we will tax you more, tax

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you on profits", he taxed the people on savings but he said, "you must save more". This is the philosophy of the budget, we must save at least 25 per cent of GDP, and I could not agree with him more. Perhaps we should ask Sen. Rahael to look after that portfolio since he knows so much about savings, so we the might get it up to 30 per cent and that would be laudable, because that is what we want. But he wants us to save and then he taxes the savings.

These fellows have a communication problem. One person is talking Chinese and the other is speaking Japanese so one cannot understand the other. That is where the problem is. Mr. President, he compounds this by taxing losing businesses and marginal businesses. So it is not bad enough to tax those who are making money, you decide now you want to tax those who are not making, too, and who are just on the periphery, tax them, as well. So rather than this fellow having a chance at getting to say, "let us see if this thing could still work", he pushes them over the side. That is how he is going to provide jobs. That is how he is going to get the private sector to provide jobs. Well, I do not understand that economics, brother.

Mr. President, what kind of parsimonious Government did we have the misfortune to elect that would treat business people in this way. We have business people on the other side with the temerity to stand up and clap with a lot of—I do not want to say the word—It is ridiculous. If a businessman on the other side had any guts at all, he would stand up and call a spade a spade and say, "look, you fellows are doing nonsense. If you want the private sector to fuel the economy and provide jobs, then cut the taxes. Give the incentives". But he cannot say that, he has no guts. They have no guts—sheepless.

**Sen. Kuarsingh:** Spineless.

**Sen. Hosein:** Spineless, that is the word. I can always depend on my good friend.

Sen. Ainsley Mark, in his contribution, made comparison of electricity rates in Trinidad and Tobago with other Caribbean islands to show how much cheaper our rates are, but he should consider that in world markets these Caribbean islands are not our competitors. So when we are talking about apples, let us put apples together and oranges to one side.



Furthermore, Mr. President, he may want to consider, to examine why we have a more favourable balance of trade with all of these countries. He may very well find that electricity rates may be one of the reasons why.

Mr. President, we are back once more to the one stop shop. I do not know why they like that name, "one stop shop". I mean, they beat this thing to a frazzle. Everybody has a one stop shop. The only problem is that you have to make 10 stops before you get to the one stop shop. But they bring it back again. A mechanism to facilitate investment by cutting down the bureaucracy and time spent on getting Government approval. I believe this is the objective of what they want to do. But all we hear is old talk and no action by this Government and the one before this one. May I suggest a name change, perhaps they might want to consider "investment action bureau". I will not charge them for the name. Take an executive from the private sector and give him a package which includes remuneration based on results and let us see if this cannot give us the results which we are looking for.

I know the Minister of Planning and Development would have many friends who are competent enough to handle that kind of job and I am very serious that if they want it to work they have got to make some changes. Do not go back to the same thing because they will frustrate the people coming to invest and that is not good for them or us. We do not want it too difficult when we take over in 1996 at all, so I am making it smooth now.

Mr. President, the Government continues to talk about Trinidad and Tobago becoming the investment centre of the Caribbean, very laudable. But they seem to be doing precious little to make this dream a reality. Perhaps the Minister of Finance can consider offshore banking as one aspect of this budget. That is one way, Mr. President, in my humble view, that will help to get to this goal.

Mr. President, the Government wants to encourage export-led growth but it seems to have a funny way of trying to achieve its goal. It has reduced the home market for the manufacturers; charged five per cent on import inputs into manufacturing; higher electricity rates, and it is going to get higher again; higher water rates, and it is going to get higher again; higher taxes; new taxes; high interest rates; tight liquidity, and the Government still expects us to compete with the rest of the world.

Earlier on, Sen. Rooks gave a little run down on what happens to people who are looking to export in different countries, the kind of mechanism put in place to help them to export. It is a mile away from what we are offering here, Mr. President. Words alone cannot get what we want. They cannot come to the Senate and say they want to export, we want export-led growth and presto it is going to happen. They have to take the necessary measures, to encourage that export-led growth, otherwise, they are never going to get it. One economist, Mr. President, described these measures as "scrooge economics". That is what they call it.

Mr. President, Sen. Kuei Tung, my good friend, in his presentation referred to businesses which are under-invoicing and over-invoicing and they are doing this to beat the system, and he is right. There are many who are involved in these practices. Let me advise him, if he wants any information on these matters, he does not have to look very far, because very close to him is an expert on the subject, so I refer him to that expert.

Mr. President, on the Bureau of Standards, I would ask the Minister if he could tell me if the bureau has put in place standards for goods entering Trinidad and Tobago and what items are these. Could he also indicate, whether the staffing problem at the bureau is solved. There has been a staffing problem for the longest while at the Bureau of Standards, and in his presentation, he somehow omitted to mention that, so I do not know if it is solved and he did not want to tell us about it, or he just simply forgot to tell us about it.

I would be very glad if he could tell us if that is the case, because the Bureau of Standards would play an important role in this trade liberalization exercise. Because if there are not standards to stop some of those shoddy things that are coming into Trinidad and Tobago, they will put our manufacturers at a worse disadvantage than they already are. In order to have it done properly, they have to give them the staff to do it. Could the Minister also indicate the mechanism by which the anti-dumping laws will be effected?

Mr. President, the Minister of Finance on page 55 of the budget speech indicated that he would remove the subsidy for the following items: auto diesel, marine diesel and kerosene. Can he indicate the new retail prices of these items and the expected effect this will have on the national community? So in his winding up, I am asking that the Minister inform the Senate of these matters.

So much has been said in the two budgets this year about CNG as an alternative fuel to gas and we on this side agree with the Government on this

matter. However, I would like the Minister to consider asking locally assembled car manufacturers to equip 50 per cent of their cars for use of CNG and to consider a larger tank, perhaps fitted in the area where the petrol tank is usually housed. I do not know the technical part of this, I am only speaking from the top of my head what seems to make sense, rather than putting it into the trunk, where it takes up a lot of trunk space. I do not know how feasible it is. However, I know that what is required is a larger tank. Of course, people do not want to lose their trunk space so perhaps he could tell us how he is going to do that in his winding up.

Mr. President, the Minister of Finance in his 1992 Budget, on page one, talks about openness with the population, but in the 1993 Budget, he tells us less financial support for the state enterprises, but omits to tell the nation the consequences of such measures. Perhaps I can prod him, through you, to open up a bit more and level with the people. It is important that he not say one thing and do something else, because we need to know.

Mr. President, on the question of divestment, the Minister of Finance indicated that these state companies are a drain on the Exchequer, but I am aware that Fertrin, for example is only making losses because it is borrowing money from the shareholders and if the shareholders were to put the loan money in as equity, the company would immediately find itself in a profit position. So I wish to give notice to the Minister that we will be watching the final divestment prices of these enterprises which will be sold out with an eagle's eye.

Mr. President, the CET is finally here and the Government tells us it is here to stay, but we will be giving up \$75.7 million in 1993, and at the same time we will be putting pressure on our foreign exchange by way of demand for the foreseeable future and God alone knows if and when we will be able to recoup. So it is pain like hell, which is a direct result of spending your money badly when you had it and we can thank the PNM for that. I will have to pay. My children will have to pay and my great-grandchildren will also have to pay for their squandermania. But as the saying goes, you cannot make pearls out of a sow's ear.

Mr. President, on page 48 the Minister of Finance refers to the inefficiency in the tax administration. I would like to inform him that the Inland Revenue Department needs to upgrade the quality of the personnel. I understand that because of a lack of qualified and experienced tax officers, simple matters are queried and objections are made and eventually sent to the Tax Appeal Board, which is bottle-necked with some 500 cases although it can only handle between 18 and 20 per year, I am told.

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Mr. President, the time has come for taxpayers and I want the Minister's undivided attention on this one.

**Mr. President:** Are you aware that you have been talking for almost an hour talking now?

**Sen. Hosein:** Mr. President, the time has come for tax payers who are owed money by the Inland Revenue Department and are paid late, to be paid interest in the same way as the taxpayer is charged interest when he is late with his payment. I believe that is the only fair way to deal with the taxpayer.

Mr. President, take the constituency of Barataria/San Juan. Only when I was a child do I remember the roads in such deplorable condition. For example, Twelfth Street, for example, is a main road. At the corner of 2nd Avenue there is a hole six feet by eight feet by four feet deep. The road has been in this condition for so long, Mr. President, that the villagers fence it around with board. Between 7th Avenue and 8th Avenue, there are three drains across the road, ankle deep. At the corner of Martin Trace and Don Miguel Road, there are three pools big enough for ducks to swim. Mr. President, the list is long, so I will not go through all of them.

Suffice it to say, it is the neglect of those on the other side that has caused this situation.

In 1991, Mr. President, the Member for San Juan/Barataria, who is now a Minister in that Government, walked all through the streets before she was elected but since she has become a Minister the people do not see her any more. She does not even drive through, let alone walk through.

Mr. President, in my 1992 Budget contribution, I asked the Minister to start the building of the long awaited police station in Barataria. The Minister of National Security is reported as having told a meeting of San Juan businessmen on Monday, April 27, 1992 that he was going to start at the end of May 1992. Up to today, that has not started. Can the Minister indicate, what the present position is on that police station for Barataria? That has been on the drawing board for the longest time.

Mr. President, crime in this area is very high indeed. For example, Mr. Piroo Khan had five armed robberies. His brother, Mr. Jan Khan, three armed robberies. Mr. Dass, one armed robbery, Mr. Mahadeo's grocery, 11 armed robberies. Sen. Salisha Baksh, one armed robbery of her car. Mr. Mungul Singh, three break-ins. All of these were committed, within a radius of 200 yards. I wish to appeal to the

Minister—he is not here, but by extension—to increase armed patrols, especially at nights and early mornings.

**4.15 p.m.**

Mr. President, there is a village across the Churchill Roosevelt Highway from the El Socorro Road, called Karlay—you probably would not know it. This village is the forgotten village of the PNM. The neglect is so bad that it makes Laventille look like Federation Park. There are no recreation facilities; bad roads and drainage; unemployment of over 50 per cent and plenty mosquitoes. The residents cannot even wear short pants after 5.30 p.m. because mosquitoes will bite away their legs. I am making an impassioned plea, an appeal for some relief for those people. I hope that the Ministers on the other side will see it fit to do that.

This Government's policies cannot solve our problems. We can only solve the economic problems if we could bring together all the social partners under one umbrella of thought and action. This nation is disjointed—we are all pulling in different directions.

If the Government continues to say it has a right to govern and it will do so by leaving out the other social partners, pretty soon, it would have nothing left to govern, and like the dog and the bone, it will lose everything.

I thank you, Mr. President.

**Sen. Dr. Harry Kuarsingh:** Mr. President, thank you for giving me the opportunity to speak. Since I spoke on the last budget debate, I would say that I have learnt a few things; perhaps, I have not learnt as much as I should but I have learnt of the heavy responsibilities which fall upon Members of Parliament who come here and presume to be law makers. Making laws is not an easy thing, and it would seem to me, in my humble opinion, that some of us are clearly unsuitable and do not do the task properly.

**Sen. Hosein:** Speak for yourself.

**Sen. Kuarsingh:** Well, we shall see as the case goes. Soon after I was appointed a Senator, I went to a lecture given by a former Attorney General, Mr. Martineau, and he advised that Members of Parliament, because of the privilege which they have and their positions, should be measured, modest and restrained in what they do. Mr. President, with your permission, I would like to be guided by what I consider to be very good advice.

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I would like to deal with the budget in the following manner. I would like to consider all the budget documents together and to give a philosophical overview, and then I would like to answer a few of the points raised by the country's loyal Opposition.

Before I do so, let me congratulate Ministers Mottley and Valley on a job well done. The budget really is in two parts: a review section and an accounting section. The advice that I have got on the review section is that it is excellent, and, as far as I can see, that is correct. I am not able to make any comments on the accounting section, but the review section, the philosophy, is excellent.

Mr. President, while in the first year I may have had some reservations about certain specific matters, let me make it clear to you that this year I have no reservations. I consider the philosophy and thrust of the budget to be excellent. I wish to stand up and be counted as one of those who fully support the budget.

Let me begin. The budget places itself on five philosophical pillars.

Firstly, the need to run an efficient economy.

Secondly, the need to have an efficient and facilitating bureaucracy.

Thirdly, the need to rebuild institutions, many of which are in a state of dereliction or near collapse.

Fourthly, the need to have confidence building measures both for manufacturers and the banking sector.

Fifthly, the need for us to save a greater portion of our gross national product—and the portion that I would suggest is close to 30 per cent.

Lastly, but by no means the least important, the need to build a proper safety net for the many people in our country who are in distress today. I support the budget in these things fully.

I have added one thing to the budget here which is not in the budget but I think it needs to be here. I have added the need to recognize that Marx is dead and should be buried. Just to show how history sometimes mocks us, when my speech was being typed, my secretary came in and asked if I made a mistake, if I meant that Mr. Mark had died—of course, referring to Sen. Mark, and not Karl Marx whom I really intended to discuss. I said no, I will argue that Karl Marx is dead and we must bury his ideas. But in considering the matter since the secretary prepared my speech, it is very clear to me that she was right, and out of the mouths of babes and innocent, comes great wisdom. Sen. Wade Mark is dead,

politically. This is a man who fought two elections over 10 years and got 200 votes. This approximates to 20 votes per year. If such a man is not dead politically, then who is dead?

Sen. Capildeo would have read the ancient Hindu scriptures, the Vedas. The mystics in those ages have said that in the coming generation, strange things will happen. Perhaps, this political corpse that comes here every Tuesday and mumbles Marxist confusion is the strange thing that is happening.

If I may continue, Mr. President. I want to suggest that I must support the budget for two very fundamental reasons. I refer you to the *Medium Term Policy Framework* at page 54. You will see that the Government has outlined in a very clear and concise form, the strategies they intend to adopt to achieve the budget aims—the seven budget aims that I listed.

On page 56, the Government intends to change the regulatory framework in banking. This is to be done in 1993, for 1994 and 1995, to reduce personal and corporate income tax. I will deal with that later when I begin to answer the questions raised by the Opposition and, to a certain extent, the Independent Benches; in 1993, re-organize and restructure the Customs and Excise administration; throughout the period of the planning, to attract foreign investment into the country; in 1993, to modify the tax system to remove an anti-equity bias; in 1993, revise the Foreign Investment Act; throughout the planning period to better identify an explicitly target subsidy.

History would mock us if we do not wake up to the reality of our situation. It is not necessary in this country to have subsidies for everybody. Mr. President, if I could ask your indulgence, certainly, Sen. Kuei Tung does not need a subsidy; I do not need a subsidy; and many others do not.

The point of the matter is that as a Government we should recognize that there is a needy group in the society and we should target whatever limited resources we have to that needy group. The truth of the matter is that the few dollars which we have would go even further and would serve the need of the needy group in the manner in which it should be served. When I come to answer the issue raised by Sen. Muntaz Hosein, I would go further into the idea of a universal subsidy.

On page 63, throughout the planning period to improve the climate for foreign investment through a competitive legal, regulatory and institutional framework.

**4.25 p.m.**

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In 1993, to replace universal subsidies with specific subsidies to targeted groups. In 1993 and throughout, to reduce Government's direct investment in high risk capital intensive activities.

Mr. President, you will indulge me. I did not see my colleague Sen. Martin Daly there, but I had got his permission to refer to him as my friend and colleague. I really mean to say, do you think that society needs to subsidize someone like Sen. Martin Daly?

**Sen. Daly:** If the Senator will give way, excuse me. I wonder if it has occurred to the Senator that by my several deeds of public service, including sitting here, I am subsidizing the state.

**Sen. Kuarsingh:** I myself, and all of us on this side, recognize the contribution that Sen. Martin Daly has made to the country as a whole and we congratulate him and we are grateful for what he has done for all of us.

On page 64, Mr. President, to reduce Government's direct investment in high risk capital intensive activities.

Mr. President, I know that the Trintomar matter has been discussed and beaten to a frazzle, but there is an important philosophical point that I wish to draw to your attention. Oil exploration is a risky and venturesome business. If you are at the cutting edge of technology, with every seven exploration wells you drill, you will find oil in one. A country in our position with limited resources, has no right being in this kind of gambling and casino activity. The matter is compounded by the fact that money you put into these high risk explorations comes from the poorest sections of society. I am a hundred per cent in supporting my Government in this measure.

I go on. In 1993, to rationalize old age pension benefits under the NIS to bring it in line with the non-contributory old age pension scheme. In 1993 to review the Rent Control Act of 1991 to provide incentives for new rental home construction. Let me spend a minute to discuss this in the context of good law. When this law was passed, Mr. President, I did not pay much attention to it and I believe I must have supported it like most people. But, Mr. President, the effect of this law was to stop construction for home rental dead in its tracks. We have achieved that for 10 years. Mr. President, this has contributed to the demand for more than 100,000 housing units now necessary. It is a matter of intellectual and political courage that the Government has gone on to recognize this and intends to tackle it. The Government can take the cheap populace view where we love everybody and do



nothing. But the Government, to its credit, is tackling the serious issues and intend to solve the problems.

I go on, Mr. President, page 69, establish an Environmental Management Agency. Page 70, accelerate promotion and development of the tourism and agricultural sectors.

Mr. President, I am of the view that the Government is going to be successful in implementing the main things it has stated it is going to implement in the budget, partly because of what it says. But there is a more fundamental reason why I believe that the Government will succeed and it is going to do what it says. I ask all of you, open your eyes. For the first time in this country we have a Cabinet that is tackling the problems of the country in a fearless manner; and that is the real reason why I believe the Government will succeed. That is why I want to get up and be counted with the Government.

For the first time we have a Ministry of National Security that is tackling the matters related to it with vigour. I am most reluctant to give politicians any praise when they have done a job that they should have done in the first place. But, also, for the first time we have a Ministry of Planning that is operating as a Ministry of Planning. I know. I have taken the trouble to find out and I am informing all of you. I knew the former Minister of Planning—we were school boys together in Naparima College.

**Sen. Hosein:** Same party too, eh?

**Sen. Kuarsingh:** I once asked him: why is it that nothing is being done in your Ministry? He told me that his ministry was paralysed by over-analysis. In fact, he described it as "paralysis due to over-analysis". Whatever one may say about the present Ministry of Planning, it is working. So, I have given two ministries where things are going as ministries should go and I believe the Government for that reason.

I will go on a little further, Mr. President. I have here a document prepared by the World Bank, document No. 10417/TR. These men have independently reviewed the economy of Trinidad and Tobago and they support the findings—

**Sen. W. Mark:** What date?

**Sen. Kuarsingh:** Dated July 23, 1992. The document was prepared by a group of economists who do not know Mr. Mottley from Mr. Mut Lee, the gentleman in Singapore. An independent group of consultants have agreed that the

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Government's thinking, proposal and philosophy are correct. Therefore I think that the Government is going to succeed on two grounds.

Firstly, that it has men who are dedicated to solve the country's problems to the best of their ability and secondly, as far as I and others can judge, its philosophical drive and thinking is correct. I am, therefore, happy to support the Government on this matter. Mr. President, before I go on to deal more with the budget, I now want to answer some of the questions raised by the other side.

Mr. President, I am quoting here from the *Trinidad Guardian* of Thursday November 26, 1992 and I am quoting the leader of the country's loyal Opposition. I am quoting paragraph 48 lines 1—3:

"I am sure that Dr. Morgan Job will agree with me that this egotistic practice by the late doctor has had the effect ..."

I only quote that to tell you that I understand what the loyal Opposition is all about. One marriage of convenience to be replaced by another. I draw to your attention, Mr. President, that the same Dr. Morgan Job is the one who has openly declared on his radio programme that his task is to destroy the PNM and all its work. Now I do not, in any way, propose that the man be denied his right to have his radio programme. I am just telling you what he is all about and about your new ally.

I go on to a paragraph 53 in the same article. This is Mr. Panday speaking. Mr. Panday is now the Leader of the Opposition, Mr. President—and I raise this correctly. He asked these questions: "Isn't Singapore a small country? Isn't Taiwan a small country? Isn't Mauritius a small country? Isn't Hong Kong a small country? Isn't Aruba a small country?" I raise this with you, Mr. President, because on this particular day Mr. Panday seemed to have gone entirely in the camp of the free market capitalists. His minions upstairs are all Marxists up to today. The head is not connected with the tail, literally speaking, Mr. President.

**Sen. Kwabene:** Is the hon. Senator saying, Mr. President, that we are Marxists? We are not Marxists, Mr. President. We took an oath of office here in the Republic of Trinidad and Tobago and we are not Marxists. At no time have we advocated that we are Marxists. I think it is terrible that the Senator should indicate such, and I would like him, please, to withdraw that statement.

**Sen. Kuarsingh:** I have no intention of withdrawing anything. I intend to present the evidence that I have here, collected by myself, to show that the policies that were exposed are those of confused Marxist thinking; one of general

confusion and one that is going to lead to disaster to this country, should they ever have to lead this country and implement those policies.

**Sen. Saith:** When?

**Sen. Kuarsingh:** If I may continue. So Mr. Panday adopted the ultra capitalist model on that morning. But if I could tell you, Mr. President, I believe this is nothing more than classical Panday. He would have adopted those policies that morning, but by now he would have adopted another policy.

**Sen. Hosein:** Hon. Panday to you. Put a handle to that name.

**Sen. Kuarsingh:** In the same way that he has changed the name of his political party, seven or eight times during the last 10 years, in the same way he would have changed his philosophical club. But enough of that.

In the same newspaper article I referred to previously, there was a lot of criticism about how the LIDP was a racial, biased and unfair institution. I intend to deal with the LIDP matter very shortly, but I now want to answer—

**Mr. President:** Is that an article or a report of something stated in the other House?

**Sen. Kuarsingh:** I am not certain, Sir, but I think it is a report.

**Mr. President:** Is it a report of a contribution made in the other House?

**Hon. Senator:** Yes.

**Mr. President:** I would appreciate if you desist from dealing with it. Let us deal with what is raised in this House.

**Sen. Kuarsingh:** I acted in all innocence. I thought that one could quote from a newspaper.

**Mr. President:** You seemed to be going systematically through points raised by somebody somewhere else. That is not allowed.

**4.35 p.m.**

**Sen. Kuarsingh:** Thank you sincerely for your guidance. If I may continue. Sen. Wade Mark, in his contribution, raised a number of fundamental points. The first one I want to deal with is, what he terms selling the public asset to friends. I take objection to that statement. It is out of place and I intend to deal with this matter today. Members who take the oath of office as Ministers, take this following oath, which is a part of the Constitution. It says:

"I ...do swear by ... that I will bear true faith and allegiance to Trinidad and Tobago and will uphold the Constitution and the law, that I will conscientiously, impartially and to the best of my ability discharge my duties as ... and do right to all manner of people without fear or favour, affection or ill-will."

If, therefore, we, on this side, have sold public enterprises to our friends, we have broken the law. If we have broken the law, they should take steps to see that those Ministers who have broken the law, pay for what they have done. Their party has only lawyers. They file constitutional motions night and day. Do you remember two or three weeks ago, every night, six constitutional motions, seven, some nights, eight, I suppose depending upon the price.

Let me go on. If they have no evidence and they do not intend to pursue the matter, then they are guilty of mischief, deception and of trivializing the Parliament. I challenge them. The evil that they do is to constantly point their fingers to this side and say that we are dishonest or have done this or that. If the men on this side are guilty, they must pay the price before the law, but if they are not guilty, they are out of place to make such a suggestion. I hope that after mature consideration they would feel it necessary to withdraw those remarks.

The next point raised was that the state is moving away from equity in property ownership. Let me repeat. The point that Sen. Mark made was that the state was moving away from equity in property ownership. This is what I mean when I say that their side proposes nothing but Marxist confusion. They say that the state is moving away from equality in property ownership. Is it the UNC's policy to seize property from one group and redistribute it? Do they know the effect of this nonsense of which they are speaking? Let me tell them, that after they have seized the first property, within two or three days, there will be thousands of millions of dollars of capital flight. It is easy for them to continuously play to the gallery with this Marxist foolishness. Why do they not explain to the people what their policies are going to cost?

They say that we are moving away from dominating the commanding heights of the economy. Do they know where this domination of the commanding heights of the economy leads to? Let me tell them in case they do not know. It leads to the poverty of Yugoslavia, Albania, the bankruptcy of Russia. Why do they not tell the people in whose name they claim they act, where their policies are going to lead?

**Mr. President:** Do you have much more?

**Sen. Kuarsingh:** I have spoken for 25 minutes and I imagine that I will be another 10 or 20 minutes.

**Mr. President:** I think we deserve a rest at this stage. Sitting is suspended. We will resume at 5.10 p.m.

**4.40 p.m.:** *Sitting suspended.*

**5.15 p.m.:** *Sitting resumed.*

**Sen. Dr. H. Kuarsingh:** Mr. President, before I begin, I think it is well that I should explain that I look at many of the people on the Opposition Front Bench, as people who I would form a friendship with in a latter life. *[Interruption]* Later in my life, when I have left Parliament.

I make the point that there is no question of personal animosity, when I read out the analysis I have done. I make that point in all sincerity. I stress again, that there is no question of personal animosity. The reason for all of us being in public life, is to prevent future mischief. If, therefore, in my good and clear conscience I feel that your policies will ruin this country, it is incumbent upon me to expose this policy, and the hypocrisy of this policy, if that is the case.

Mr. President, I make the point, there is no personal animosity that drives my analysis. My analysis is driven by the reason I am in public life. That is, if I can, to do good for my country, to prevent future mischief and seek an enlightened future for my own children.

Let me continue now. Sen. Wade Mark bemoaned the fact that we are so anxious to repay our debts that we have borrowed from people abroad, where we gave our word that we have borrowed and we are going to pay back. When he recommends that we do not pay our debt, does he know what he recommends? Should we default on our debts?

**Sen. W. Mark:** Mr. President, on a point of order. I never recommended what the hon. Senator is attributing to my person. I want him to withdraw that statement. I never recommended that we should not pay our foreign debt. What I did say is that we should argue as a country with our Caribbean colleagues to have a reduction, or a certain part of our debt written-off. Of course, it can be cancelled.

**Sen. Kuarsingh:** Mr. President, I only took my seat for a minute to laugh. I would wish to accommodate the Senator and I really mean no personal animosity,

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but in my heart, I believe that the Marxist policy espoused by your group will lead to ruination of our country. I believe it. I would not waste my time to have my personal staff spend nights and days preparing replies to this if I did not believe that.

If we were so foolish so as not to pay our debt, the banks would seize our assets—

**Sen. W. Mark:** Is that Trintoc staff?

**Sen. Kuarsingh:** No, my personal staff. The banks would seize our assets; what moneys we hold in foreign accounts will be taken away; we would have to live like a thief in the night; we would not be able to trade; the poverty and hardships that our people will know would make today seem like Christmas Day.

Before the Senator recommends these policies, he must think through what are the consequences. He must go to Chandernagore or Felicity where he says he has support—because I know he has none in Tobago; the party is not fighting elections there, I understand—and let them know the consequences of his action. Let me help him as to how he should do his analysis.

While the Senator was having his lunch, I made some telephone calls and I costed out one of his projects, the one to give 365 days work to the people of the LID Programme. That is going to cost \$6,000 million. That is provided there are no mishaps. To raise that money, 80 per cent of all salaries would have to go as taxes; or, VAT will have to be 105 per cent. Now, that is only one of his foolish ideas that I have worked out. I did not calculate the cost of the others. I want him to go to Chandernagore or wherever he thinks his support is, and tell the people he wants to give the LIDP workers 365 days work; they should get a rest on Sundays; tell them the consequence of this would be 80 per cent of their salaries in taxation or the VAT will be 105 per cent. Tell them that.

I will tell you, we are all in public life. We should try to enrich public life by thinking through the problems. This is what I meant in my initial remarks when I said that clearly, some of us who have come here are not up to the task of being law makers. This is what I had in mind.

Sen. Wade Mark also bemoaned the fact that we are withdrawing transfers and subsidies to various companies. I want to know, what is the UNC's policy? How

much is he going to give each company? Do that for me and I will work out the cost.

I now want to discuss the petroleum industry. My senior colleague, Sen. Barnes, has really dealt with this matter in detail, and my job is very easy; just to touch on one or two things. Every time a foreign company is mentioned as being dealing with us, some insinuation is made that we are not dealing fairly, or that we are fools and will be taken for a ride. Let me disabuse him of his ignorance. I use the word, purely in the literary form, not in the pejorative form.

We have, in this country, in the ground, proven, 3,000 million barrels of heavy oil. We do not need to explore for that, we have it. To develop that—and this calculation was done only yesterday—we would need US \$45,000 million, approximately \$15 per barrel, to develop. Where are we going to get this money? There is no prospect that we in Trinidad and Tobago can raise US \$45,000 million to develop that resource. What are we going to do? Are we going to say that we love the poor people and do nothing? If we develop this over a 30-year period, we shall use US \$1,500 million per year, and the benefit to our country is going to be approximately, at today's prices, US \$500 million per year. I ask you: what should we do? Should we play to the gallery and say how we love poor people, or should we try to develop the resources of the state for the benefit of all in the state?

I will end this section by dealing with the question of our technological standing in the world. We are a country with limited technological capability. I stress, not for any other reason other than we are a country without the money and with a very small talent pool. Let me give you a few examples. The seismic surveys that look into the ground, there are only three or four computing centres in the world that are able to handle and process the data. In fact, communist China, Albania send their seismic data to Houston to be processed. With the new technology we might even reduce it to two. Let me give you another example of how technologically limited we are.

I have recently been looking into this matter, so I will give you the benefit of my findings. To run a scan electron microscope—which is like a hammer and saw to a carpenter, that is, it is nothing—you need a technical crew of eight people, which will cost \$1 million per year, the money that we are arguing about in the Servol issue. Even that we would have difficulty in managing. As I said, these are the simple tools for scientific research. We are a country of limited resources, we

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have to understand that. No matter what we did, if we seized everybody's money, we could not run the computer to do seismic. We could not buy it and we could not run it.

Let me end by giving you a good example. To really understand the science, you must have a particle accelerator. These things cost so much, \$10 or \$12 billion, only two are being built in the world. One in the United States, by several countries in the Western Hemisphere and all the European countries in Europe are combining to build one in Switzerland. They buy the technology from each other. There is no sense of shame attached to using other people's technology and benefiting from it as the Japanese do.

**5.25 p.m.**

I am pointing out to you that the reality is we do not have the money nor the technology, therefore, we have to go into business arrangements with others. You now claim "business arrangements," you fellows are going to cheat. I read the Constitution for you where we are constrained and confined. I ask all of you: do you think that all of us will sell our souls for a few dollars? What will our children say of us if we were to give away the national patrimony for a few dollars? In addition, there is a building across the road. It is the Hall of Justice. Any minister of Government who breaks the law can and should go to jail. There is the law and there is our name in posterity. We do our best. If you have evidence that things are wrong I have indicated what you should do. If you have no evidence you owe it to the country to behave yourselves and do not make wild accusations.

I end by saying that your party, so far, supports only chaos. I have indicated to you recently as to how far the squatting is getting us. I will go quickly read through it in four lines. The Member for St. Augustine could not finish supporting scraping of the hill sides. We are now putting so much sediment and silt into the water that we have to overload the water with aluminum salts which is going to affect the future generations, unless, of course, there is anybody who can live on pure alcohol. I tell you, I only know one person who can do that.

Mr. President, let me in coming to the end of my address, answer two of the questions raised by the Independent Senators. I always find it interesting and educational to listen to the Independent Senators. First, I want to answer Sen. Mansoor's question: Part of his address indicated that not enough has been done to private business. That is true. More could be done. The position simply is that we do not have the money. We have gone as far as we can. One thing I agree with



him entirely on, I would like to see first of all, that we send a message to the business community by the reduction of corporation tax, if even by only half a per cent.

Sen. Daly's claim that we are retouting policies is clearly an exaggeration as one would use in court to fight any matter. The policies that the Government is following are policies which we know have succeeded in circumstances similar to ours. It does not mean that we will not make mistakes. But in our best judgement, and in the judgement of all those whose intellectual and philosophical abilities we respect, the fact of the matter is, that we think this is going to work. If you have other ideas please share them. I think it is a bit of an exaggeration to say that we are retouting policies. I know that the Senator did not mean to be as harsh as that, with us.

I was very moved by the recommendations the Senator read from the book that "Smith" made about South Korea. That will have a cost. Let us say that the cost is \$300 million. Who is going to pay? I will tell you who will pay. In a country with indirect taxation it is the poorest class that will pay the most. I respectfully suggest that at this time no further burden be put on the taxpayer. That is the reason why the business community has not got the taxes and the release you proposed. Nothing else.

As I said, my personal wish would be to see a reduction in the corporation tax even before personal income tax. The reason for this is that we on this side of the Senate want to send a message to the business community in Trinidad and Tobago, in the region and the hemisphere. We want to say to them, come to Trinidad and Tobago and invest in businesses. The Government here will work for their success. Thank you very much, Mr. President.

**Sen. Hydar Ali:** Mr. President, it is fortunate to be coming in at this time when our experts who have the benefit and the experience of having spoken. They have taken the trouble to give a global view of the budget and they have also taken the opportunity to give us some hints on the art of debating a budget. If that lesson is not reflected in my contribution it is because I need a little more time. Not as long as I think the public service reform will take, I hope.

That leaves us with a few areas and I will attempt to look at them. The first area is, education. I want to look at the thinking of the Government in relation to funding of the university. It is not often we get the opportunity to know the policies of the Government in relation to various matters. We had an opportunity,

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very recently, when we discussed the Student Cess Act, when the hon. Minister of Planning and Development spoke. He gave us some idea of the thinking. I think that is reflected in the level of funding for the university.

Before I go on to that I would like to say something about the role of the university. I will quote from the Chancellor of the University of the West Indies at a recent graduation ceremony. I am quoting from the *Sunday Express* of November 29, 1992, page 8.

Of course, the Chancellor of the University of the West Indies is the same person who is Chairman of the West India Commission, Sir Shridath Ramphal. After lauding the programmes at the university, programmes that are relevant to the community and to Trinidad and Tobago, he made the following comment. I quote:

"UWI remains our best regional investment; in times like these of recession, it is an investment in recovery, an investment in the future for which those of you who graduate today have been prepared."

Mr. President, not only does he talk about the university as the best regional investment but he mentioned also the role it can play in this era of recession. I do not think I had to quote from this article to convince anyone here, about this university because we have heard this very often especially when we talked about regional integration and some of the institutions that withstood the vagaries of time. The University of the West Indies is one of those institutions that have been able to remain with us. I hope nothing will be done to undermine the stability which the university has brought with it.

A few moments ago I mentioned the contribution of the Minister of Planning and Development during debate on the Student Cess (Amdt.) Bill. I would like to quote parts of it. He mentioned:

"The University requirements in government funding in 1991 and 1992 is roughly 14 per cent of the education budget."

That is a fact that we cannot argue with. I want to go on further where he relates it to the number of students in the various categories. It goes on to say:

"There are 190,000 primary students in the country, approximately 98,000 secondary students in the country and about 3,800 students at the university from Trinidad and Tobago."

That, I think, is the basis for the thinking. I would like to remind you about the first part I quoted whereabout 14 per cent of the education budget goes towards the university. The comparison was made, and I quote:

"What you are really seeing is that 14 per cent of the education budget is being allocated to roughly 1.5 per cent of the student population in the country."

Mr. President, this is where I disagree with that kind of analysis and comparison. One will see that you are attaching the same equal rating to each category. You are attaching the same rating to the student in primary school secondary and onto university. It does not take much to realize that you cannot weight these easily. What does it take to educate someone in primary and secondary schools and at the university?

I must draw on one point, and that is the level of education required of the teachers, for example—and leave it at that—in terms of the number of years one should study to become a teacher at a primary school; the number of years it takes to graduate to teach at a secondary school and the minimum number of years it takes to be able to qualify to teach at university. This is the argument that is used to reduce the amount of money which ought to be spent at the university.

**5.35 p.m.**

What surprises me even more is that in my first contribution in the debate, I mentioned the very same things not realizing that I mentioned these things in quoting Professor Richards, the principal of the University of the West Indies, when he mentioned that government used his argument. I thought he was referring not to our Government, but some government like some other place we have been hearing about here. I think that perhaps that had not been recorded, or reached the relevant ears, so I will repeat. This is an address that Professor Richards gave at the opening of a mathematics conference:

"I shall like to comment briefly on a widely held view which suggests that higher education in developing countries is a luxury rather than an essential means for their development. Looking around, one sees a weakening of the resolution of the governments of many of the developing countries—sometimes under the influence of 'expert' foreign agencies—to build a strong and virile university system in their countries. These governments have been advised, in a logic that is superficially seductive, that they would do much better to put whatever little resources they have in the development of the primary and secondary levels of education."

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I do not know if it is a coincidence that these numbers have been called, about the overwhelming number of students at the primary and secondary school levels, and compared with the paucity of students at the university level.

"We are told, for example, that the cost of one university place is equivalent to that of fifty primary places."

These are not copious statistics, but they are fairly large.

"Copious statistics have even been assembled to persuade anyone in doubt that university education in developing countries is counter-productive and, in the words of a recent World Bank Report, 'of dubious value'."

It is really strange that every time I hear the hon. Members in front of me talk about policies of their Government, they always refer to it as, part of the conditionalities of the World Bank and what not. I would not have thought that would apply to education. I still do not say so, but I am just quoting from Prof. Richards' talk at the opening of the mathematics conference.

I am not just going to say that I disagree with that method of comparison, I shall also suggest what we look at. There are some other statistics one can look at. For example, we should look at how much other people are spending on their university education. For example, here, we are spending 14 to 16 per cent of our education budget on university, but if we wanted to make a case, and this is why people produce figures; they go and look for something that agrees with their thinking, philosophy and ideology and they quote these. If I wanted to show that one should spend more, I will go to Canada which spends 37 per cent of their education budget towards university.

Again, if we want to make use of figures, we should be concerned about the small numbers of people in the English-speaking Caribbean who are entering university. Again, in that very speech that Prof. Richards made at the opening of this conference, he mentioned that our tertiary enrolment rates are of the order of three per cent of the relevant cohort age, and these rates are considerably lower than those of the faster growing middle income and newly industrializing countries which approach 20 per cent.

There are statistics, but we should really use the statistics which can benefit our people. We should also be concerned about the number of applicants who are refused entry into the university for lack of space. Again, in that debate on the Students Cess Bill, Sen. Ainsley Mark quoted some figures. He had them with him today, and he kindly made them available to me. I quote those figures again.

These figures deal with the number of qualified applicants who are turned away from university. These are mentioned by five faculties.

Faculty of Natural Sciences	3 out of 10
Faculty of Engineering	4 out of 10
Faculty of Arts and General Studies	5 out of 10
Faculty of Social Sciences	6 out of 10
Faculty of Medical Sciences	7 out of 10

As I said, I am grateful to Sen. Ainsley Mark for providing them to me. These figures have also been recognized by the Ministry of Finance. If you look at pages 17 and 18 of the *Review of the Economy*, it gives you an explanation as to what these people do, if seven out of 10; four out of 10 and five out of 10 are not getting into university. They join the labour force and nowadays, when you join the labour force, it is virtually joining the unemployed.

The *Review of the Economy, 1992* at pages 17 and 18 states:

"The growth in the labour force has also been due to the fact that a smaller proportion of the population is able to remain in higher educational institutions, as the number of places in these institutions has not expanded commensurately with the population."

Rather than look at the system from the point of view of how many people are in the three levels of education, one should look at the figures that tell us we are not doing so well when it comes to providing tertiary education in Trinidad and Tobago.

With that I looked at the funding for the university for this year, as provided for in the estimates. Just to give a brief summary of some of these figures provided to me by the university, total arrears to July 1992 is \$194,949,000.00. This has also been acknowledged by the Minister of Planning and Development; when he spoke, he gave a figure which applies to July, 1991. The figure I just gave applies to July, 1992.

If the figures do look somewhat alike it is because there has been a major payment in July 1991 of \$15 million. For this year, the contribution for 1992 and 1993, which is roughly the figure that was read out by the Minister, with an estimate of \$120 million, representing Campus Grants Committee Estimates (CGC) for 1993, Government has provided only \$49.4 million, plus Cess of about

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\$9 million, which makes it \$58.4 million, leaving a deficit for the year of \$61.6 million.

If you look again at the estimates, you would see that there is provision for about \$9 million towards the arrears. I cannot substantiate this, but I understand that there was a promise to pay about \$15 million annually towards wiping out these arrears.

Before I leave the section dealing with the university, I would like to go back again to see if we can get some sort of thinking of the Government. You can quote the Minister of Planning and Development, because the University of the West Indies now comes under his portfolio, after mentioning that whenever estimates come up again, because this is how the deficits arise, the university provides these estimates and then the Government provides these grants. When it does not match these estimates, we have a deficit. So, apparently, the solution to this is given in the following form.

In that debate the Minister said, "we will not agree to a budget which we cannot fund". I think this is rather punitive and I do not think it is an easy way out.

**5.45 p.m.**

This could probably mean that the Government would only fund areas which it thinks are relevant to it. The Government will now say that it is going to fund only certain areas and, in fact, it is doing that. If you look at some of the newer programmes—many of you cannot forget that there is a new programme at the university—the Centre for Ethnic Studies—which was given about \$1 million last year and which was opened a few days ago and given perhaps another \$1 million. It seems that the only areas Government will fund are the areas it thinks are relevant. I do not think that is the role of the Government. The university has its expertise and it, in consultation with the Government, ought to come to some agreement as to what areas are going to be funded. To say that you will not agree to a budgeted sum which has over the years been trimmed and pruned to suit the diminishing amount of funds that have been released to the university, is not a solution. I know this may sound like repetition, but when nothing is done, one assumes that one has not heard it. It is for this reason that I mention these things again.

The second area of education which I want to look at deals with primary and secondary levels. If you look at page 42 of the *Medium Term Policy Framework, 1993—1995*, you will see that a glowing picture is painted there. Some statistics

tell us that we almost have full adult literacy rate, 100 per cent enrolment in primary school, 80 per cent enrolment of secondary school age children and we have an extensive infrastructure for technical, vocational and craft education. Then there is something that causes concern here. The next statement continues to say that this quantity has been obtained at the expense of quality and a reason is offered for this lack of quality:

"This may be attributed to the deterioration in the quality of primary school education; insufficient attention to pre-school education..."

This is why there is so much emphasis nowadays on the primary school system. I agree that that is the right direction. I am not too sure whether you can blame pre-school education as contributing to this lack of quality. I hold the view that pre-school education is not a formal thing. I feel, as far as possible, that should be acquired at home, but be that as it may. It goes on to say—and we should remember some of these statements when we think what has happened to society:

"As a result, a large number of school leavers enter the labour market with severe educational deficiencies, particularly low achievement in literacy, numeracy and self-esteem."

That is not the only thing they leave the school system with. They are not leaving with any moral and social educational awareness. One only has to reflect on the society to confirm this view. There is an increase in violence and crime; there is an increase of permissiveness; there is an increase in the abuse of drugs and there is a general attitude of lawlessness. There is indiscipline in schools.

The Minister of Education has been talking about this over and over again and apparently steps are being taken to make sure that this is not to be tolerated. I heard, only recently, a director within the Ministry of Education say, whereas in the past people used to be suspended and warned without actually being prosecuted, prosecution is an avenue now being adopted. There is also the problem of parents abdication of their responsibilities.

Why this is relevant to the primary and secondary schools is if you look at the age group, we are not talking about hardened criminals, which used to mean persons at a mature age. We are talking about people here who are involved in these things at a very young age.

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Some of the other reasons connected with a lack of quality in education are that we are now, it seems, concerned with schooling than with education and we can identify two major problems, if we want to address the situation. We need to have a coherent system of education embracing both primary and secondary levels. Secondly, there is the need to produce genuine equality of opportunity for all, especially at the secondary level.

The structure that we have nowadays in the school system, not merely reflects, but determines the extent of divisiveness in the society. By that we mean that the division is not based on race or any of these things, but on being bright or not bright. For example, the bright students go to the so-called academic schools and others go to comprehensive schools. When we do that, we expect quality in the end. So we have quantity and we expect quality in the end when we adopt that type of system.

We also do not understand that there is a difference really between vocational training and secondary education. It has been recommended at the highest levels—from the Prime Minister and Minister of Education—that something be done about the Common Entrance Examination. Perhaps it is going to be phased out. I use the word "phase" because nothing takes place overnight, as we have read, but we hope that it will not be replaced by a system that obtains in the 14-plus.

What obtains in the 14-plus is that students are promoted based on an assessment of the three years, not based on an examination. I mention this because in trying to get rid of the Common Entrance Examination, we are trying to get rid of an examination and using some sort of assessment. That type of assessment has already been used in the 14-plus where people go up, knowing what schools they are going to before they have taken an examination. This causes problems when they go on to the secondary schools because the students then have no idea really of their performance. Long after their entry into the Senior Comprehensive Schools, the results come out.

I would like just to turn now to training programmes. Much has been said about this. The amount that has been said about this implies that there is much expectation in this area. There is a National Apprenticeship Programme for which \$30 million has been allotted in 1993. When you hear about this programme, you think that it is something new, but there have been several programmes in the past five years. The problem is that you are training these people and there has not been a corresponding increase in the number of jobs. What we have to do is to try



to create jobs for these people. They are just being trained. It is rather frustrating, after going through the training with a certain amount of expectation, and there are no jobs for these people.

To wind up this section, Mr. President, I would like to make some other comments on the school system. What obtains now is that we have an outdated curriculum and there is too much emphasis on teaching and not on learning, meaning, of course, that the urge really is to pass examinations. We have forgotten one fundamental point in the whole education process which is, that the child is central to that process.

**5.55 p.m.**

There are some other things which affect the entire community and I will mention just one of them at this stage. In some instances, there is a severe lack of facilities in schools. It is now exam time and those people with children in school would know that because of a lack of paper—I have heard this from teachers at a recent meeting—students are unable to write exams or they can take an exam over two days so that the teachers can write half the exam on the board one day and the other half the next day. These are serious situations and I hope they will be addressed in the ten-year draft education plan. We have not seen that plan. I think it is about to come to Cabinet. I hope that the Government will address some of these situations and perhaps others that we may have.

Mr. President, an area that has been mentioned before here deals with some issues that were taken up at the symposium on job creation and employment. I would just like to quote, again, from page 18 of the *Review of the Economy*, just to make sure I get it correctly, I get the impression, when speaking about this, that it is a bit maligned, so I am trying to take the initiative here and see how we can develop it.

Arising out of the symposium, a number of initiatives were undertaken, as stated in the *Review of the Economy*. One of them is the establishment of several committees to oversee implementation of project areas such as handicraft and furniture manufacturing for export. Mr. President, in this part of my talk, I would like to identify an area which can satisfy this initiative, especially in the area of furniture making and handicraft.

Recently, at the opening of the formal launching of the Copper Artisan Association of Trinidad and Tobago, the Minister of Information, made the

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following comment. I am quoting from the *Trinidad Guardian*, Monday, November 30, 1992:

"The unavailability of raw materials, lack of data banks for professional producers and inadequate infrastructure for development have been identified as the main issues affecting the development of the craft in the Caribbean."

The main point I want to deal with is the area of raw materials. We cannot over-emphasize the importance of raw materials because even in our manufacturing processes many of these components are not indigenous and we have to import these things. That is why there is so much talk about why things should be levied or not.

In particular, furniture makers are mentioned there and I want to deal with them. I will draw the connection in a minute about why I am dealing with furniture makers at this stage. Just to give an idea of the amount of people that are involved in this business, there are about 200 to 500 small companies. They are usually about one-man companies or companies of a maximum of 30 employees. So that the maximum number of employees or the work-force is about 2,000.

Mr. President, this is the kind of area the Government is looking at, areas in which one, two or three people can do some work. So that there is already something. One does not have to go and create some area in which one can get involved. There is an area already in furniture making where it is small and people are already involved there. But they need some raw materials.

To me, the prime wood for furniture is teak. Many of us are obsessed with teak, we want teak for furniture, doors, ceilings and flooring, teak is so good. This teak that we have is a very expensive commodity on the international market. The price range varies from US \$800 to \$2,000 per cubic metre. Why I am bringing this up, Mr. President, is that we should now ask, where we get the teak. Well, the Government plants teak and one can get teak through Tanteak.

Tanteak is the company which was established in 1975, supposedly to blaze the trail for the saw-milling industry. I gather that it is not doing so. I am told that it is inefficient and it is losing money. Yet, we see, that \$23 million is being spent on updating machinery and expanding from 1990 to 1993. In other words, much money is pumped into this area.

We know that Tanteak sells some teak, but we do not know how much it sells the teak for. It is suggested that it should sell it for about US \$600 to \$1,000 per cubic metre. It seems that it is almost half the price.

Also connected with Tanteak is a controversy about its exporting raw logs to India. The argument for this is that this is just a one-time sale. Again, why I am bringing this at this stage, is not only am I trying to point out to the Government areas in which it can find revenue and job creation, areas which would fit into its policy, but also because it is mentioned in the budget.

The budget mentions, among other things, that the royalty on teak will be increased. I have taken a quick look at the Provisional Collection of Taxes Order, but I am not seeing any amounts for the new royalties. At present, the royalties stand at \$160 for teak and \$145 per hopper's foot for pine. Apparently, a hopper's foot is a measurement that is used for logs; it is almost equivalent to a cubic foot.

Is this a revenue measure, Mr. President? If we increase the royalty, is it meant to increase the revenue? This will be hard to explain, because apparently no revenue has been collected even on the old royalty. I gather Tanteak owes about \$2 million in royalties, so that when this is increased—I wonder if it is an increase on paper—it is not going to do anything to the fund.

I also gather, Mr. President, that, whereas the royalty being paid on that is just \$160, the private sector is willing to pay for hopper's foot. I mention this again, because I want to quote from the *Review of the Economy*, page 22. The Government has established a policy for companies that are losing money, things like that. It says, a "programme of systematic divestment" and some of the criteria that are used are the following:

"The programme is designed to achieve public participation in the acquisition of the portfolio of assets being divested by encouraging wider ownership as well as a reduction in the number of state enterprises that are burdened on the Treasury."

So it is part of that to look to see whether this company, Tanteak, qualifies as being a burden on the Treasury. Of course, that is not the only criterion they use. For example, in the case of urea it is certainly not a burden on the Treasury, but it is earmarked for divestment.

Mr. President, continuing, I want to refer to one of the provisions in the Provisional Collection of Taxes (No. 2) Order, 1992. I read from section 16:

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"The Muslim Marriage and Divorce Act is amended in section 5 by inserting after sub-section (2) the following sub-section: '(2)(a) On acceptance of such appointment, the appointee shall pay the sum of \$200 to the Registrar General.'"

Again, one assumes that anything that is coming here is supposed to generate revenue so one would like to look at how much money is going to be received from this section.

I had some figures drawn up on this, and from January 1, 1988 to November 23, 1992, there were only 24 appointments over a five-year period. That makes it about five per year, or \$1,000. Any time you collect money it usually costs you much more to collect that. I wonder what the reason is for including this section. I wonder if it is connected with the Minister Draper's comment that he made earlier on; that we are asking for increases in salaries and the services being provided by the Government have not kept up with that.

So now you start at \$200, it is not much, but next year you will see \$500, or something like that, is it that? I mean, one does not know. Whenever you do not give a reason for something or it looks illogical, one assumes that there is some reason other than logic that informed such a decision. So I question the intention from the point of view of revenue and other reasons.

Mr. President, I would like to ask other questions relating to this: Is it making it difficult for people to get married by not having the required number of marriage officers? That is not impossible, because in Islam you do not need a marriage officer to fix you up, you can get married.

I would like to put the following on the record for posterity, Mr. President, because I am sure I will not be here—I hope I will not be around when something like this comes up; if it comes up at all—I hope that marriage in Trinidad and Tobago will always mean marriage between a man and a woman. Because the way things are going, this is no joking matter, if you look elsewhere, you will see what might sound strange today might be quite normal elsewhere.

The other reason for bringing up this item, Mr. President, is because I have other concerns about the appointment of Muslim marriage officers and I just want to share with the Senate a case history of an applicant. The person applied August 28, 1989—again, I feel some Senators may not know what process is involved—there was an interview with Special Branch, that is normal, apparently. Then there

was an interview with the Registrar General on April 19, 1990. There is no contact at all, because that is supposed to be the final interview, once you have passed the stage of the Special Branch Officer and you have spoken to the Registrar General, in a matter of time you should get some letter from the Attorney General. There was no contact, no calls. Then there was a letter from the Attorney General to the sponsoring group asking for more information and then the final appointment was on October 17, 1991. If I had remembered this thing in time I would have brought it up in the debate on public reform. It is something that we should look at. It took over two years for someone to get his marriage licence.

I have a more fundamental point in the method of appointment: Section 5 (1) of the Muslim Marriage and Divorce Act states the following:

"The President in his discretion may appoint any fit and proper person, being a member of the Muslim Community to be a marriage officer for the purposes of this Act and the President may, without assigning any reason for so doing, cancel any such appointment."

Mr. President, what caused the problem with this organization, with this appointment is the following. There was an organization which has been around for 100 years, there was an Imam there for over 150 years. When he died, somebody else replaced him. He was not only an Imam, but a marriage officer, so there was a community that was served by an Imam and a marriage officer. Someone was appointed soon after his death as an Imam and recommended to be a marriage officer. But when this application went out, the Attorney General's department did not want to recognize this organization. Where in this Act does it say an "incorporated organization"? It says "member of the Muslim Community". One hundred years of tradition, what else is needed? The fact that a group with a letter head writes to you and says "this is so-and-so" and that is accompanied by some other bigger group which says "so-and-so is a fit person". I do not see what else is there. That is the key part. It says "the Muslim Community", who is to define? The group says this man is a Muslim, he is an Imam, he is fit to be a marriage officer, he is replacing someone who has been there. It should be almost automatic. But that was not the case.

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This organization, which had over 100 years of existence had to go and ask a recent organization, only because they were registered, incorporated and so on, to endorse it. Does that make sense?

One final point, since I have the floor on this matter, since it is not very often that I get to speak on matters which are dear to me. The application form—in this day and age—asks you "I am a priest of so and so". In Islam there is no priest. This is why we were involved in the recent controversy or whatever you call it with respect to the Anglican Church. That should be replaced by "Imam" or "member". I think since we are changing, reforming and so on, perhaps the Minister could look at these things, tear up these old forms and put out some new forms.

Mr. President, one other point, before I go on to a few small points. The budget speech mentioned about several task forces. Several of them were mentioned and the one I want to talk about is the credit union movement. I know the expert is going to speak later, but again this one holds personal interest for me and I am using this opportunity to do that.

Since this task force is established, and when one looks at the *aide-mémoire*, one will see that what is happening there is the credit union sector is being taken out of the Ministry of Labour and Co-operatives and put into the Ministry of Finance. With respect to this, the Minister says:

"The credit union movement continues to be characterized by significant structural and other weaknesses which manifest themselves in the seemingly high mortality rate of credit unions and a large disparity at any point between the number of active and registered societies."

The document continues:

"The movement needs to modernize and strengthen the management capabilities and practices."

Mr. President, the average credit union is not really worried about the change if these are reasons given for the change. Why change, when there is a system that is within the Ministry of Labour and Co-operatives to deal with those things. I am not going to go into those details, because I am sure someone else can do that even better. When there is a system that exists to handle a situation, and then another one is created, again suspicion is created. Why change from one to the other? Up to now, I do not think that position has been clarified. If you object to

the statement that you would like to belong to a credit union that is corrupt, not managed efficiently and so forth, that is not the point. One does not know what the task force's objective is, what the Minister has in mind.

As I said that is the common part of it. I want to again deal with a special case here, Mr. President. There is one credit union that would be affected adversely by this. That is the Muslim Credit Union. Again, the Muslim Credit Union is established on a zero rate of interest. The reason for a zero rate of interest is because in Islam we do not take nor charge interest. So it is of concern to that credit union whether this change is going to affect its operation. Because to pay its dues, fees and so forth, it has to invest. If it now has to take that little bit of money and pay taxes, if it comes under some Banking Act where you have to pay taxes and you have to pay this and that, it will soon have to close down.

I am saying if that is the reason, it will be a sure way to kill the Muslim Credit Union and not for reasons that one is afraid of that anyone is going to go into their books and so forth.

I hope, now that I have aired these views, that this will not happen, to stick to that original *aide-memoire*, to simply make sure that these credit unions work efficiently and things like that and not tamper with taxes and rates and so on.

Mr. President, I just want to make, like everybody else, a few comments on diverse topics. The first area is the situation that obtains now with WASA. I am looking at this point of view as a citizen of this country. I am not taking sides whether I am anti-this or anti-that and so forth. There is a situation here where people are not getting water. Just recently we had a situation where we were told to boil our water. Where is the water to boil? There is a little lull in the amount of cholera cases being mentioned Venezuela, now it is in Guyana. Jamaica, another Caricom country, is not ordering any fish from Guyana because of the cholera scare and now we have something. It is not that we do not have it, it is not like money, there is water and we are not getting water.

I am saying Government has the responsibility. It was put there. I do not know how it is going to do it, I am not saying to just pay the people off. I am not saying that. It is the Government's responsibility. It has to think about it. I could think about it, too, but the responsibility is the Government's to think about how to get it. Why does there have to be some confrontation before the solution? Remember what happened to TSTT when there was a confrontation. So many cabinets were bombed. We see leaks all over the place so that I can get water in the road but I cannot get water in the tap.

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Mr. President, this cannot be allowed to happen. When the cholera starts, we will have to shift money from here and there to get medicine and put new things to prevent you from getting ill and so forth. People have to talk. There should never be a situation where it reaches this stage. Whoever is at fault, union, Government or WASA, must take the blame. Everybody is suffering. We should not wait until when things get bad before we start looking at a solution.

The next point, some diverse topics. I am just wondering, Mr. President, I had not expected when I joined Parliament to go beyond the 45 minutes. I am just wondering what other subtle influences I am imbibing here.

Again, if I refer to the *Medium Term Policy Framework, 1993—1995*, there is much talk about upgrading and development of Piarco International Airport. But it is not enough for the Government to talk about upgrading. It has to put some title to it; "Transport hub of South Caribbean", just a set of words, Mr. President.

I do not see, for example, the times I have gone to the airport, that is in Atlanta and places like that, planes on the apron, waiting in a queue, or planes circling to land. I have not had the benefit of any feasibility study to determine why we need to have these things. I hope that all the feasibility studies have gone into that.

Just having the infrastructure there will not make it the transport hub to South America. There was no preamble saying "we are going to do this, that and so on, so we need this type of airport". They are talking about \$340 million.

Mr. President, we have spent a lot of money on a similar kind of port, the Scarborough Deep Water Harbour—I do not know the official name—and then only one week or so ago one cruise ship anchored offshore and they had to use extra transport to come in. What is the point of having these facilities and they cannot fulfill their intended use? The captain said it was chartered and so forth, he just refused. We need these few people to come here and spend a few hours so put a little launch for them. I am saying that there should be some law telling the captain he must come in there or pay us the amount the tourists would have spent.

Mr. President, I cannot leave the debate without mentioning CNG. This time I just want to make some minor comments. There is a new type of advertisement going on now, one firm advertising the other. LPG, now CNG. So this firm has put out a CNG notice. It is so prominent one would think it was NP that put it out, but anyway it was not NP, they say the following in the advertisement:



"We have noticed the presence of recycled, second-hand CNG conversion equipment supplied by others with storage cylinders, rated below the 3,000 PSI working pressure requirement for CNG fuel as established by the National Petroleum Marketing Limited, NP."

All I want to mention at this point is that the Minister of Energy should look into this area and make sure that this is not true. Is this just a gimmick that the firm here is telling people not to get any equipment from this fellow here, come down by us and put in our equipment, or is this, in fact, true? If this is not true, it has to be addressed.

Mr. President, I have taken the opportunity to talk on things that are personal in terms of you know my beliefs and now I want to mention something personal in terms of where I live. In the PSIP, page 24, there is mention about some pre-investment studies done for the Couva Hospital. The pre-investment study is expected to be completed in 1993. I would like to urge the Government that it should hustle up with this study and start building and provide the level one services. The level one services that are supposed to be put in.

It is not to provide something for the people in Couva and California and where I live, Phoenix Park, and so forth. It is not that. But when you have a proper facility like that you ease the burden on San Fernando. You are doing two things: You are providing a service for the people there and easing the burden in another facility so that they can perform their jobs more efficiently.

Mr. President, there was an article, again, about pot-holes and accidents and so on. There was a strange comment in the newspaper on Sunday coming from the traffic department which mentions the following—I would not quote it, just to save time. The person from the traffic management department is saying that he has noticed that when there are pot-holes there are fewer accidents. When you fix the road, there are more accidents.

Mr. President, I wonder if that is the kind of thinking that goes into policy making, especially where we had wrong advice in relation to the Trintoc loan, the \$218 million. I, for example find it very dangerous when there is a pot-hole. I am usually very careful. I have stopped suddenly and the fellow in the back does not hit me, or I turn into the path of a vehicle. What probably causes the accident—again, I could take a guess like the fellow—is that when the road is fixed you take a little break and you go a little faster to go home and so forth. That probably causes the accident. But do not say that pot-holes are a deterrent to

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accidents, then no roads will be fixed; there will be no accident in Trinidad because there are few roads that do not have pot-holes.

**6.25 p.m.**

I just do not want to go through into all the areas, like Sen. Muntaz Hosein mentioned, about places. The point is, that kind of argument is spurious. He should have stuck to his statistics—the conclusion can be erroneous.

**Sen. Saith:** Mr. President, I just want to assure the goodly Senator that to use quotations from unnamed sources is not, in fact, Government's policy.

**Sen. Ali:** Mr. President, I was just warning them that they should not be influenced by such things. I never said that it was Government's policy.

Again, talking about bad roads. I have to travel on that link road from the Solomon Hochoy Highway to Point Lisas Industrial Estate and it is the worst part of the road—I mean, it is hole after hole. Do you know where that road leads to, Mr. President? It leads to Fertrin and the Urea Company, and so on. These are the two companies which are up for divestment. I wonder when people come to look at those companies, how they reach there. That should be a deterrent. Transport is important in an area like this. They are not all going to use the seaport.

Mr. President, my last point—and again this is in keeping with my own thinking and philosophy. I am quoting from page 2 of the *Review of Fiscal Measures in the 1992 Budget*:

"The 1992 budget signalled increases in the rate of excise duty on alcoholic beverages and cigarettes by 50 and 75 per cent, respectively. There was also a corresponding increase in the customs duties charged on these products when imported from within the Caricom region. These increases have adversely affected demand and consequently production. As a result, collections are estimated to be lower than budgeted under excise duties and alcohol and tobacco taxes."

It depends on how one thinks. From a budget point of view, this is bad in that it does not collect enough money. But if you want to stop people from drinking, I think you should have raised the taxes on these products.

With these few words, Mr. President, I thank you very much.

**Sen. Jean Elder:** Mr. President, you would, no doubt, recall that on the last occasion, which was my first opportunity to participate in a budget debate, I had

indicated that as an ex-teacher and one who has spent over 36 years in education, it was my intention to deal specifically with education. I again wish to focus my attention on this topic.

However, before so doing, permit me to compliment the Minister of Finance and the Minister in the Ministry of Finance on the presentation of, what I will term, an outstanding budget, particularly, when one considers the present difficult economic climate. There is no doubt in my mind that in the light of the present economic downturn they have done a wonderful job and they have been successful in balancing the budget by cutting and contriving. I know that Senators have been talking about cutting here and there, but I am convinced, that taking into consideration our present limited financial resources, that there was no other way.

There are certain lessons one can learn from the budget, so ably presented by the Minister of Finance. Firstly, when in debt do your utmost to liquidate it. This should be regarded as a priority.

Secondly, in turbulent financial times eradicate excessive spending, and that will mean cutting here and there. To use a common term, "do not hang your hat where your hand cannot reach".

Thirdly, one must first stabilize the economy in order to achieve growth.

Mr. President, the first matter I wish to deal with pertaining to education is the National Apprenticeship Scheme. I know mention has been made of this. This recommendation originated from the National Symposium On Unemployment and Job Creation. A committee was appointed at the symposium, with persons from the business community, the public service and the labour movement. They met frequently and were able to come up with proposals for the establishment of a national apprenticeship system in Trinidad and Tobago.

The national apprenticeship system is specially designed to alleviate the unemployment problem by training persons to be craftsmen. As it was already mentioned, \$30 million have been allocated to the national apprenticeship system for 1993. In due course, a National Training Authority would be established, but, in the meantime, the National Training Board has been given the responsibility for launching this system. This system includes females—girls. Already there is the El Dorado Youth Camp and a number of females are being trained there. So, it means that the girls will be given a chance of being trained in a specific area and thereby become employable.

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Mr. President, permit me to deal with the post primary education. It is generally believed that students who are not successful in the Common Entrance examination are totally ignored. Provision has been made for these students, some of whom are late developers. Special programmes of studies have been arranged and appropriate schools set out throughout the post primary system based on assessment over the years. These late developers may acquire certain skills, correct certain deficiencies and then move on to another stream.

Permit me to deal with education extension services. These services play a most important role in training for job creation. A noteworthy plan is the provision of training, finance, and other support services for self-employment.

In the education extension services, there are quite a number of men and women attending these classes. There is training in areas such as fabric designing, ceramics, horticulture, making of wines and jellies, home nursing, repair of small electrical appliances, upholstery, pastry making, floral arrangement and craft; and this goes a long way in removing these persons from the financially displaced groups, thereby maintaining a higher standard of living. Only recently, one of these classes had an exhibition at the Spectakula Forum and it was indeed wonderful to see the standard of work that was maintained.

Mr. President, according to the manifesto of the People's National Movement, the party to which I have the honour to belong, the Government has pledged to continue to build on foundations in education which were previously established, of course, by the People's National Movement.

The Government has already made an indepth analysis and a review of the Common Entrance system. As we are all aware, this examination, which has been a burden on both children and parents, will soon be abandoned in favour of a more acceptable form of selection of students for secondary education.

In our manifesto, we also pledge to examine the school curriculum to ensure that training satisfies the needs of a dynamic and evolving society.

As you are aware, Mr. President, some months ago the Minister of Education named a task force on education comprising some of the leading educationists in our country. I am advised that this committee will soon be making its report, which will result in fundamental and sweeping changes in the present educational system, including improved educational facilities and opportunities. For example, more resources would be made available to primary and secondary education.

I wish to deal now with the construction of new schools and repairs of existing ones. In the Development Programme, for education, the Government proposes to spend \$32,307,000 which includes sums allocated to schools for special education and vocational and technical training. In keeping with our pledge as a caring Government—and I stress, a caring Government—we have taken particular interest in the provision of schools for special children—and when I say special children, I mean the physically and mentally handicapped.

I would now like to take this opportunity to touch on education as it affects our sister island, Tobago. In addition to allocation of sums for the regular maintenance of existing schools, sums have been allocated for the extension of Bishop's High School and the upgrading of Roxborough Composite. This demonstrates that Tobago is being given, and will always be given, a special consideration under the People's National Movement.

The training of teachers is a vital factor around which the entire educational system revolves. Teacher training is not confined to training colleges only. The training programmes are being undertaken by the Ministry of Education in conjunction with UNESCO and Trinidad and Tobago Unified Teachers' Association.

**6.35 p.m.**

During 1992, over 2,212 teachers participated in this programme. Provision for this ongoing programme of teacher training has been made in the budget, and permit me, Mr. President, to state that the University of the West Indies, started its Bachelor of Education programme in September this year, and the Ministry of Education, in recognition of the importance of educational training for our teachers, has given leave with full pay to 25 teachers to do this programme.

Within recent times, Mr. President, there has been a spate of indiscipline in schools. The Minister of Education has recently announced that steps are being taken with a view to eradicating this problem, which is a world-wide one. One notes that the Government has re-introduced the School Feeding Programme, in keeping with the promises that were made in the election manifesto. Encomiums have been showered on the authorities for the quality of the meals provided since the re-introduction of the School Feeding Programme. The Government will continue the school feeding programme and pledges to expand it, should funds become available. *[Interruption]*

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Again, Mr. President, as a caring Government the School Book Grant Programme has been re-introduced, on a limited scale, of course, because of the financial situation; but the Government pledges to cater to the under-privileged children. It is the intention of Government, too, to expand this programme as more funds become available. Permit me to mention that there is provision for a book grant of \$500 in special cases.

Over the past years one has noticed a deterioration in both the standard of recently constructed schools and the maintenance of existing schools. The dilapidated state of the physical facilities has caused much disruption. We had protests by parents and children, "sick-ins" and "sick-outs". One notices broken down structures condemned by health officials and engineers; unfinished construction, malfunctioning toilets and substandard equipment. The Government has taken note of all these inadequacies and has made an allocation in the budget to take care of these problems.

Mr. President, Government firmly adheres to the principle that educational opportunities at all levels must be accessible to all citizens. At the tertiary level the fee structure has been reviewed and provisions have been made for the less fortunate students, through various schemes, such as the Students Revolving Loan Fund and Government guaranteed soft loan made available through commercial banks.

Mr. President, from the various points I have touched upon, one can observe that the Government is true to its pledge to provide facilities to guarantee free education for all students in primary and secondary schools. Government has also taken steps to ensure that education is preparation for life and, as a result, has been attempting to make the goals of education in our country in line with the demands and needs of our country. One notes that Government has allocated \$45.7 million as capital expenditure on education services to upgrade plant and equipment at primary and secondary school levels.

Worthy of mention is the fact that work is in train with respect to the design of a major medium-term investment programme for technical and vocational education. It is with a certain amount of pride that one notes that this country has achieved an adult literacy rate of 96 per cent, the highest in the Caribbean, if not in the world. Who is responsible for that?

**Sen. W. Mark:** Not the PNM.

**Sen. Elder:** Undoubtedly, the People's National Movement is responsible for this achievement. I will agree that there is room for improvement and I am certain that the Government, to which I have the honour to belong, will take positive steps to show the improvement.

Mr. President, before coming to a conclusion, I would like to make a point about the fact that some of the Members on the opposite side have been bemoaning the price of LPG which was increased. From investigations I have made, the cost of LPG in our neighbouring countries is as follows: St. Vincent: 20 lb. cylinder—\$27.40; 100 lb. cylinder—\$187.00; Jamaica: 20 lb. cylinder—\$89.00; Barbados: 20 lb. cylinder—\$21.40; 100 lb. cylinder—\$100.00; Grenada: 20 lb. cylinder—\$22.13; 100 lb. cylinder—\$108.00. In Trinidad and Tobago the 20 lb. cylinder is \$20.00; 100 lb.—\$100. Even though there is an increase in the price, it is comparable and, in some cases, even less than our Caricom sisters.

One final point, Mr. President, one of my neighbours on the other side, said that the word "people" has been removed from the People's National Movement. I would like to read from page 1 of our manifesto—

"The PNM is a political organization pledged to the maintenance of the rule of law, founded upon democratic principles, basic human rights and dignity, and dedicated to the raising of the moral and material standards of the citizens..."

I stress—

"of the citizens of Trinidad and Tobago, and the promotion of their progress in all fields—political, economic, social, moral and cultural."

**Sen. Kwabene:** Cultural too?

**Sen. Elder:** Citizens of Trinidad and Tobago mean the people of Trinidad and Tobago; and the people of Trinidad and Tobago have recognized that. That is why we are sitting on this side. The people put us here.

**Sen. W. Mark:** Temporarily.

**Sen. Elder:** So you can rest assured that the People's National Movement will always be the People's National Movement, because we are committed to the people and will continue to be so.

Mr. President, I thank you.

**Sen. Everard Dean:** I really was told by my leader that I would be on tomorrow, but I am prepared for this evening, so I will take it as it comes.

Mr. President, in beginning my presentation, I would like to join the queue and identify myself in support of the restoration of the \$955,000 reduced from Servol, an organization that has an excellent track record in all the things that they do.

Mr. President, it was most heart-rending to see the affected students silently, but effectively, bringing into focus the plight of the mainly dispossessed youth population of this country. I say this, Mr. President, because on the news today I heard that the teachers of these schools earned in the range of \$300 to \$1,400 per month. If you can cut that, you can make blood out of stone. So I want to say, quite categorically, I would even support the call made by Sen. Rooks that if we have to vote against the budget for that purpose, I am prepared to do so.

**6.45 p.m.**

Mr. President, my contribution will be carrying with it a strong co-operative, NGOs bias, as seen through the eyes of a long-serving credit unionist.

The 1993 budget is probably best described as a "hold strain" budget. The Government has reminded us that the international environment which substantially determines what happens in this country, is still very much in the doldrums, with a projected growth forecast of 1.1 per cent for 1992, not likely to be fulfilled. We are also told that due to the continued decline in petroleum output and the hangover from the tight, but necessary monetary fiscal policy, the expected growth of our own economy, is not likely to be more than 0.2 per cent.

Related to this international and national scenario, is the expectation that the rate of unemployment in the country would remain above 20 per cent in the year 1992 and 1993. On the bright side, we expect the inflation rate to remain low, at around three per cent, and the balance of payments position to be better than it was last year, in spite of the negative factors impacting on the external account. The expectation is that after the stabilization effort of 1993, the economy will be well poised for growth in 1994 and beyond.

The credit union movement of this country fully recognizes the immense difficulties faced by Government in the current world setting, and even greater difficulties we may have to face if certain unpleasant developments take place in respect of the international trading system. As a movement that was born out of hardship and as a movement that has fostered a spirit of service through co-operation, it is our belief that we are well equipped to play the kind of role which the country needs at this time.



The Minister of Finance was absolutely correct when he acknowledged that in the business of looking after the victims of adjustment process, the Government cannot do it alone. This is the age of the non-governmental organizations. It is not that governments have become less important, or that governments have less of a responsibility to seek after the best interest of our citizens. Rather, as Professor Kari Levitt reminded us at a Mark-Castillo-Toney (MCT) conference earlier this year, this is a time when the power of our government has been substantially taken away by the international financial institutions."

This is not something governments need to be ashamed of. It is not something they should feel that they should have to try and hide from the population. Quite the reverse. As Professor Levitt has suggested, this is a time when the citizens of the country, acting through their various NGOs, have to take the initiative to protect the development interests of one's country. In this respect, the role of the Government should be one of facilitating this new civic responsibility of the NGOs.

In this regard, although I find much in the budget to commend the Minister for, as I will indicate later, I am more than a little concerned that the 1993 budget has not made a greater effort to mobilize the population to channel more of their energies through the various NGOs in the country. You see, Mr. President, the reality we face is one where the Government may well find itself in a better fiscal position and a better balance of payments position by 1994, but still in a weaker position to deal with the unemployment problem, or to sustain the effort it proposes to make in respect of the social infrastructure of the country. The reasons are very simple.

In the first place, the adjustments that have to take place in the private sector, if it is to become internationally competitive, may be adjustments that will force them to seek profitability by means of labour-replacing technology. So when the Minister of Finance talks of more efficient investment, leading to higher levels of employment, this is certainly not something we should expect to see within probably the next five to ten years. In any case, I am sure that the Minister of Finance is aware that the evidence in the Caribbean does not point to a strong correlation between economic growth and employment expansion. Even weaker, is the correlation between economic growth and private sector employment.

So that while we cannot say that with the restructuring of the economy these correlations will not become stronger, we could be sending the wrong signals to

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the population if we allow them to believe that success in stabilization will put us on a path to growth. Of course, we hope it does, but we cannot say more than this.

The second compelling reason why we cannot expect any significant turnaround in the employment trend when the economy has been stabilized has to do with the fact that the stabilization will have been accompanied by an increase in the country's stock of debt. For although the exact figure is not known, based on official statements made from time to time, it is safe to assume that the country has lined up close to US \$1 billion in loans for the next few years. So while the Government has to be commended for bringing down the stock of debt from US \$2.4 billion to US \$2.2 billion over the past year, I shudder to think what the country's debt burden will be in a few years' time. What this means is that the respite that the country is hoping for at the end of 1995, when, on present expectations, the debt service should be reduced by more than US \$200 million, that respite may either not emerge, or it may be very short-lived.

What this will mean is that whatever anti-unemployment programmes that we might have put in place in the expectation of an improvement of the Government's disposable income status, will then have to be aborted, as a new round of stabilization begins. For once the debt-service ratio rises beyond a certain level, not only will the Government have no choice in respect of adopting a stabilization programme, but any intentions to increase or maintain expenditures on social infrastructure—schools, roads, and health facilities—will, at least, have to be modified, if not scrapped altogether. All of this must be seen against a background where earning foreign exchange will be made more difficult either because the world economy will still be in a depressed state or if the problems associated with GATT negotiations continue to haunt the agreement itself.

By nature, I am not a pessimistic person. As a credit unionist, I take a very positive attitude to life. But by the same token, my credit unionism has taught me that we should not close our eyes to unpleasant scenarios that might arise. Rather, we should face them and devise a strategy to deal with them in case the worst comes to the worst. It is in this context that I believe that the 1993 budget should have pointed to a commitment by the Government to a joint Government/NGOs strategy for dealing with unemployment and other related problems that come hand in hand with stabilization and adjustment.

To his credit, compared to his recent predecessors, the Minister has shown a much clearer understanding of the need to have some kind of plan or programme

to deal with the social impact of adjustment. The Minister of Finance is aware of a proposal made to him by the Credit Union League in its proposals that were submitted to him for this budget. That document suggested the creation of a social impact adjustment fund, which amounts to the institutionalization of joint efforts between the NGOs—in this case the co-operative movement—and the Government. In our view, the creation of a social impact adjustment fund would go a long way in relieving both the pressures on the population as well as the administration burden on the Government.

**6.55 p.m.**

At the present time, the credit union movement is in the process of developing a specific set of proposals along these lines for submission to the Government.

Mr. President, there is a tendency of many people to believe that all you need is enough consensus between Government and business, or Government and the trade unions. In my view, these so-called tripartite consultations do have their value, but given the emergency that we face, what is needed is a more broad-based effort by a group charged with specific responsibility, and probably afforded certain powers.

I do not want anyone to confuse what I am suggesting with any call for sharing of power in Government. However, it will be a mistake for the Government not to recognize that it cannot, alone, deal with the social mitigation problems and then only make token gestures to involve other agencies that are in the front line of the adjustment impact.

Like other NGOs, our day to day activities keep us directly in contact with all segments of the society at every corner of our little country. We have shared these ideas with the Government and we had really hoped to see some indication in the budget that the Government saw the great value of giving the co-operatives a more distinct role at this time.

Mr. President, as early as 1966, the ILO, in its recommendation No. 127, had advanced the following:

"The establishment and growth of the co-operatives should be regarded as one of the important instruments of economic, social and cultural development, as well as human advancement in developing countries."

I believe our country is a supporter of that recommendation.

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Mr. President, earlier this year, a study was conducted under the auspices of the United Nations, from the General Assembly Economic and Social Council. Part of that report, dated May 28, 1992, on the Status and Role of the Co-operatives in light of new economic and social trends reads as follows:

"The liberalization policies and increasing competition have affected some co-operatives adversely, but at the same time have made them more relevant to the survival strategies of many individuals."

The report went on to suggest that:

"Close attention to the potential contribution of the co-operatives to national economic and social progress appears to be a promising option for Governments to examine..."

The report further recommended:

"In view of the broad significance of co-operatives in most societies and their potential for contributing to the solution of major problems...Governments have an important role in establishing and maintaining an environment conducive to co-operatives..."

Mr. President, the United Nations, in that report, said:

"Recommendation No. 127 is the most single comprehensive statement made within the United Nations' system concerning the nature and objectives of governmental policy in respect of the co-operative sector and guidelines and methods of implementing that policy."

In light of this, this is not a time to separate the most successful subsector of the co-operative movements, that is, the credit union movement, from our sister and brother co-operatives.

As you know, at the present time, there is an impasse between co-operative/credit union movements and central government, in moving the credit union subsector from the rest of the co-operative sector, from one Ministry to the next. The perception in the movement at this time is that the Government has decided to deliberately divide the co-operative sector. The Government may insist that this is not its intention, but, this is how the people in the movement are seeing the actions of the Government.

When one considers the vital role the credit union movement has to play in alleviating social ills, it is difficult to understand why the Government has decided

to move credit unions to the Ministry of Finance, rather than strengthen the existing Co-operative Division of the Ministry of Labour and Co-operatives. The mere fact that the Government is dividing the co-operative movement is indicative that it does not understand our co-operative philosophy.

How can they purport to be improving our movement? Certainly, an enhanced Co-operative Division would be more amenable to the solution to that present impasse. Supervision by an entity that underscores the importance of co-operatives as socio-economic builders of our nation would be in the best interest of our country.

Whether our perception is right or wrong, the blame cannot lie with our noble movement, but it must lie squarely at the feet of Government's failure and unwillingness to sit with the Credit Union League and develop an efficient supervisory system which does not threaten our co-operative nature but indeed strengthens the entire co-operative movement. This is the contention of the Credit Union League. We believe that such important issues must be the subject of meaningful dialogue, not to call us to a meeting to present a piece of paper to us as a *fait accompli*; then months afterwards say you had discussions with the credit union movement on four occasions. We believe that such important issues must have meaningful dialogue.

At the league we have proposals for some level of self-regulation and numerous approaches to the enhancement of the integrity of credit unions. Unfortunately, we have not been given the opportunity to discuss these with Government.

Mr. President, there is the notion that the Credit Union League is against supervision and inspection. Let me categorically state, the opposite is true. The Credit Union League is not against supervision, but finds itself in a situation where the task force that Sen. Ali referred to, is presently at work, and we feel that the move from one ministry, placing it squarely under the Ministry of Finance can possible have three effects.

Firstly, we would be placed under the new Financial Act that is due to come on stream sometime in 1993. I now wish to quote from page 18 of the *Medium Term Policy Framework: From Stabilization to Growth, 1993—1995*, section 43:

"In the area of prudential regulation and supervision of financial institutions, Government will bring to the Parliament a Bill to amend the present legislation governing financial institutions. The Central Bank will implement revised

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prudential norms under the authority provided to it by the proposed amendments to the Central Bank Act which, *inter alia*, will strengthen existing mechanisms for managing banking crises."

**7.05 p.m.**

Section 44 states:

"Government is conscious of the need to enhance the regulation and supervision of non-bank financial institutions. Hence, regulation of trust and mortgage companies and finance companies will be improved through coverage in the proposed revisions to the Financial Institutions (Non-Banking) Act. Over the medium term, Government will also strengthen the regulation and supervision of life insurance companies through enhancement of the institutional and administrative capability of the Supervisor of Insurance, as well as amendments to the Insurance Act. Pension funds, which are managed through the trust companies of commercial banks and by the insurance companies, will also be better regulated."

What frightens me most is this part—

"In addition, the supervision of Credit Unions will also be strengthened in order to safeguard the interest of shareholders."

When I say that it frightens me most, there is a correct linkage, if I understand the term between pension funds, life insurance companies and credit unions.

When one looks at page 57, under Monetary and Financial Policy one sees:

"Improve regulation of Credit Unions, pension funds and the National Insurance Scheme."

The timing—1992/93. This, in my view, is going to sound the death knell of credit unions and other co-operatives in this country. If for some reason the Government decides to place the credit union under the new Financial Act, heaven help us because as I said before, we would be in a league against our wishes. The philosophy of the credit union movement does not permit us to be on such a level playing field as it were. The credit union movement is a people's organization dealing with people—money is the avenue which we use to deal with people. The second fear that we have is that the credit unions may be taxed. If that is so, again, heaven help us. The third fear we have is that if we go on those so-called level playing fields there might very well be an increase in interest rates. I would like to get the assurance from the Minister in the Ministry of Finance that:

1. Credit unions will not be taxed.
2. That credit unions will not be placed under the Financial Act due to come in next year and;
3. That the interest rates will not be touched.

Credit unions have a record of giving loans at the lowest interest rates in this country, and we want to maintain the status quo in that regard. Also, as Sen. Ali pointed out, the Muslim Credit Union does not charge interest. It has investments. It has printeries, groceries and things like that. The money they derive from those investments is what runs the credit union. If for one reason or the other interest rates go up I do not know what kind of investment that particular credit union will make in order to survive.

I call on the Government to rethink its position; but if it is thinking in this direction, that the credit union movement be allowed to maintain the separation from the other financial institutions. We have no problems with regulations and investigations. The credit union movement like any other organization even the banking sector has its problems. I am not denying that there will be mistakes, mismanagement, that there will be corrupt persons in the credit union. I am saying that this could be dealt with otherwise and the credit union movement could maintain the status quo as a co-operative first.

Mr. President like Derek Walcott, the Caribbean Nobel prize winner, I believe very strongly that there is something very special about the Caribbean. Something very unique. I also believe that it is this very uniqueness that is being threatened by the attempt to have the credit union conform to the dictates of those who wield power in what is callously referred to as the "global village".

I am saying, therefore, that the time has come when we must bring our cultures, as Caribbean people, to bear on this adjustment process we are going through. The co-operative sector is an integral part of our culture. We are not Europeans, Americans, Asians, or Africans. We are Caribbean people. Indeed we are Trinidadians and Tobagonians. We are all boat people We know that there maybe no future for us as a self-respecting people except if we put our heads and our hearts together and let the uniqueness of our culture work for us.

Although the 1993 budget is in many ways an improvement of recent budgets, including the 1992 budget, I would have been happier if the budget provided a stronger spark to get the whole population behind a clear strategy for our survival

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and for our development. In a sense, Mr. President, the Minister of Finance's model is not very different from previous models: stabilize now and grow later. Apart from the fact that there is more to development than stabilization and growth, as I have said before, there is nothing that the Minister can really tell us which can convince us that the growth he talks about is anything more than a combination of hope and good intentions.

On the question of saving, I cannot but find fault with the budget. The credit union movement holds to the view that the only sustainable approach to our development, as a people, is one that rests on:

- (a) Our willingness to save more and more;
- (b) Our commitment to higher levels of productivity; and
- (c) Our willingness to make co-operative principles work for us.

In this connection, I can find nothing in the budget that seeks to motivate the population in the direction of higher levels of saving. This is a weakness in the 1993 budget. What is worse, is the fact that the budget seems to be based on the assumption that once the economy is stabilized, privatized and liberalized, foreign investment will flow in at levels which would be sufficient for us to deal with our chronic problems, unemployment especially. But, where is that investment going to come from?

The reality of the world today is that for reasons which are not too hard to understand, most of the foreign direct investment that might be available is being directed at the new-look eastern Europe and the Commonwealth of independent states formerly the Soviet Union. What this means is that we have to mobilize our own sources of investment, by combining our export development effort with a heroic national saving effort.

**7.15 p.m.**

Related to this point, is the way the Government treats small business. Small business and exports should be afforded the same kinds of incentives. As far as the 1993 budget is concerned, therefore, there are two amendments which the Minister should consider. First, the 0.25 per cent business levy proposal which we otherwise support, should exempt businesses with a turnover of less than TT \$120,000.00, just as the VAT does.

Secondly, as suggested in our budget proposals to the Minister, we would like to see a modification in the VAT administration in respect of small businesses. In



particular, we would like to see that for these businesses VAT be paid on a cash basis, rather than on the present invoice basis. This would significantly improve the cash flow situation of these businesses and, therefore, give them a much better chance of survival.

The good things about the 1993 budget, lest you or anyone should go away with the belief that I have found nothing worthy in the 1993 budget—permit me to spend just a few moments identifying those aspects of the budget for which I think the Minister of Finance and his team should be complimented.

First of all, the Minister has done the country a service by casting his budget very squarely, within a medium term context, and giving clear signals about future revenue and expenditure measures to come in future budgets. The tendency for us in this country to think only in the short term, has always been compounded by the annual budget presentation of the Government. The time has come when we need to realize that our actions today, are partly influenced by our actions of yesterday, and partly by what kinds of actions we wish to take tomorrow.

The second feature of the budget that is worthy of positive comment is the expressed intention of the Government to do something significant about the rehabilitation of the country's roads, schools and health facilities, in 1993. As I said before, we in the credit union movement are acutely aware of the difficult financial conditions that the Government faces. However, from where we stand, it is quite clear, that except the Government has the support of the people in its adjustment effort, this effort is not likely to succeed. Moreover, what threatens to derail this support, almost as certainly as the unemployment problem, is the quality of the public services available.

When you strain to buy a motor car to go to work, it is most distressing to have it destroyed by potholes all over our highways. When we struggle to get our children to school, it is entirely unacceptable for the school to have no toilets, or a leaking roof, or flooring that threatens life and limb. Probably worst of all, after paying one's taxes, including the health surcharge, it is most upsetting to find that at the clinic there is no doctor, or that the hospital does not have the drugs or the equipment to provide the kind of health care to which one is entitled. I hope that the caring Government addresses these problems, and the sooner it does this, the happier we will all be. For purposes of clarity, it would be useful to know if the planned capital expenditures for health are included in the \$566 million allocated for social support in 1993.

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The third very commendable aspect of the 1993 budget is the apparent commitment of the Government to improve the administration efficiency of its revenue collection effort, instead of seeking to impose higher direct taxes on the population. This tells us that the Government is willing to share in some of the adjustment burden; that it recognizes that it must work harder to put its own house in order, rather than simply put burdens onto the already hard-pressed citizens of our country. This is an approach that I believe should not be taken for granted, and the Government should be duly commended.

There are a few queries about the 1993 budget, however, that I believe the Minister should address in his reply. First of all, although we know that the Minister hopes to balance his budget, we must not forget that balancing the budget in itself is not a specially desirable economic objective. What really matters is how the Government uses the \$6,899 billion dollars in revenues it expects to collect. What matters also is how the extraction of this revenue affects the working of the economy. I am therefore puzzled that the Government has not indicated what it expects to see happen to employment or to investment levels, or to any of the critical economic magnitudes in the context of its intention to balance the budget.

My second query concerns some of the figures given for 1992, because I think in the opening pages, some reference is made to that. Having been told that the deficit for the year is expected to be around \$382 million, I assumed that this would be the amount that would have to be financed. Yet, the Minister informs us, through that budget speech, that for that year, the Government obtained financing to the tune of \$409 million on the domestic market, and \$558 million on the foreign market. So apparently, a total of \$967 million was mobilized to deal with a deficit of \$382 million.

A similar confusion seems to surround the 1993 figures. For although the budget will be balanced, we are told that Government intends to source \$1.2 billion on the foreign market, and \$264 million on the local market. No doubt, the Minister is using some form of creative accounting. However, since the budget is not necessarily a technical document, I think the Minister will have to enlighten us more on what these figures are really meant to tell us. Essentially, I would like to know what expenditures or allocations have been earmarked for these funds.

My third query concerns the budget's proposals on venture capital funds.

**Mr. Valley:** I do not want to break your trend of thought. Are you talking about the 1993 expenditure figures?

**7.25 p.m.**

**Sen. Dean:** You want it repeated? You got it now?

My third query, Mr. President, concerns the budget proposals on venture capital funds. While I strongly endorse the move to provide tax benefits to both corporate and individual investors, I would like to know if these individual investors make their venture capital investments through their credit unions and whether they would derive benefits related to these investments, quite apart from those normally enjoyed through increasing their shareholdings, as presently obtains. If the proposed benefits are separate, it is our view that the credit unions throughout the country will move significantly to put together venture capital funds.

In closing, Mr. President, I have just one other simple query. We note that the budget was predicated on the assumption that oil would be \$21 per barrel in 1993. Nowhere in any of these documents is that figure related and I would hope—just as the figures for the CNG and the other items are stated in the budget speech, that the expectation of \$21 per barrel and the expected taxation to be derived from the SPT will be \$920 million—that those kinds of information would be placed in this one document rather than having to go through the myriad orange coloured papers to find what you want.

Once the people of this country feel that the Government is willing to take them into its confidence, and once the people see that the Government is prepared to devise the kind of strategy which will safeguard our self-respect as a nation, I have no doubt that they will rally behind the measures that are taken regardless of how tough they may have to be. In the credit union we have a saying that credit union is family. At this time in our history, I believe that our salvation will depend on our willingness to work harder and to save money, all because we in the movement share the sentiment that Trinidad and Tobago is family. I thank you.

**Sen. Ashick Hassim:** Mr. President, Hon. Senators will recall that in the very recent past the Government laid in this Senate a *Medium Term Policy Framework, 1993—1995*, which enunciates, among other issues, a comprehensive policy on agricultural development. Refer to pages 64 and 65 of the document. I am quite

sure that all Senators have read the details of this policy, the major areas of which include:

- (a) Improved land administration and management;
- (b) Continuation of support to farmers through the ADB, including funding at concessionary rates;
- (c) Establishment of a marketing information system through NAMDEVCO;
- (d) Research, education and training;
- (e) Re-organization of the sugar industry.

In pursuance of these policy objectives, the Government has vigorously conducted studies and has held discussions with important institutions and persons. This evening I propose to highlight how we as a Government intend to achieve our policy objectives, in order to make the agricultural sector viable, thereby drastically reducing our food import bill and facilitating the revitalization of the economy and eventual growth.

Senators on the Opposition Benches will recall that only recently—in fact in July 1992—the Leader of the Opposition in his capacity as the President of the Sugar Workers' Union, signed an historic agreement to develop an agenda for action, aimed at putting Caroni Limited on a viable footing over an agreed time frame. So convincing were our arguments in favour of the reorganization of the sugar industry, that the union's president found no difficulty in signing the report. If allowed to implement the recommendations of the report within a specified time frame, Caroni Limited would not only be profitable by 1997, but its activities will substantially impact on food self-sufficiency by reducing our food imports.

It is fitting that I should mention that in 1992, our first year in office, this country witnessed reasonable increases in the agricultural production. Just to name a few: sugar was increased by 10 per cent to 110,000 tonnes, a 15-year high; meat increased by 1.8 per cent; broilers by 13.2 per cent; eggs by 16.7 per cent, paddy by 53.4 per cent. While the 1993 budget speech did not highlight specific initiations in agriculture, hon. Senators must not construe this to mean a disinterest on the part of Government. Government's programme in agriculture continues to be aggressive in nature and I now propose to highlight some of these programmes in order to enlighten the hon. Senators and the public at large.

In light of the continued problems being experienced with respect to the levels of production in the petroleum industry and the continued low prices on the international market, the Government of Trinidad and Tobago will continue to intensify its efforts to diversify the economy. In this context, the food and agricultural sector has been identified as one of the key sectors in the diversification thrust. While over the past 10 years this sector has contributed less than 5 per cent annually to gross domestic product, and employed between 10 and 12 per cent of the labour force, it is recognized that it can make a much greater contribution to the economic development of Trinidad and Tobago. It is this potential which the Government, through its various programmes for the sector, is seeking to develop. Through a balanced import substitution and export-oriented strategies, the food and agricultural sector can significantly reduce the food import bill which averaged over TT \$860 million annually between 1989—1991.

Mr. President, if we look at 1989 figures, the total imports of food was \$849 million; in 1990, it was \$845 million; in 1991, it was \$890 million and from January to May, 1992, it was \$337 million.

While earning foreign exchange through the economic support of traditional crops: cocoa, coffee and sugar; and non-traditional crops: fish and processed foods; the sector has potential also to make a significant dent in the high unemployment rate which now faces the country and leads to a myriad of social problems. While the country may not be able to achieve full self-sufficiency, our levels of imports of the basic food groups is a major concern and must be seriously addressed.

Mr. President, it is estimated that the country depends on imports for 70 per cent of its meat, 89 per cent of its dairy products, 70 per cent of its fish, 90 per cent of its cereals and 67 per cent of its fruits and vegetables. The strategies which have been adopted by the Government, take into consideration this high dependence on imports for certain basic foods and this has influenced the choice of projects under the development programme. The strategies which have been adopted by the Government, takes into consideration this high dependence on imports for certain basic foods and this has influenced the choice of products under the development programme.

**7.35 p.m.**

The Ministry's development programme, has the emphasized the following initiatives:

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- (1) diversification of the sugar industry in light of its continuing heavy dependence on Government subvention and the changes in the European market;
- (2) expansion and acceleration of rice cultivation with a view to reducing our import of cereals which accounts for the largest category of our food import bill;
- (3) strengthening and rationalization of agricultural marketing facilities;
- (4) expansion of the fishing industry with the aim of reducing our present import and satisfying export demands;
- (5) improvement of access roads which has been identified as a major deterrent to increased agricultural production.

The projects to be included in the programme are geared to providing the physical, social and economic environment within which farmers would optimize their production.

The Ministry of Agriculture, Lands and Marine Resources sees its role in the context of agricultural development as a facilitator and will be withdrawing from direct agricultural activities.

I now move to infrastructural development, Mr. President. Rural and agricultural development in Trinidad and Tobago have been severely constrained by inadequate access roads. It is estimated that more than one-third of agricultural holdings become inaccessible during the rainy season, leading to severe reduction in food production, loss of income and increased prices for consumers. Development of access roads can contribute to increased production for both domestic and export markets within a very short period.

A pre-feasibility study on a national access and work programme indicates that the development of about 166 kilometres of roads and bridle traces could result in an increase of 9,000 hectares of land under production and an overall increase in food production of 39,000 tonnes.

The total cost of this programme is TT \$70.1 million and the Inter-American Development Bank has agreed to the funding of this programme, the first phase of which is expected to begin in 1993 with the rehabilitation of 55 kilometres of road.

Mr. President, I now move to water management. The water management programme is designed to provide irrigation and drainage infrastructure in the potential rice growing areas. Although food crops and vegetable production will also benefit from these programmes since they are faced with flooding during the wet season and lack of irrigation and water during the dry season. Initiatives have been taken with respect to development in the Nariva and Oropouche areas and the Caroni River basin.

In 1992, a feasibility study in the provision of the water management infrastructure, for the Plum Mitan Rice Project (Nariva Swamp) was completed through *EEC* funding. The provision of infrastructure in this major rice growing area could result in double cropping and utilization of vast expanses of flat lands suitable for mechanization and large-scale cultivation.

Funding from the Caribbean Development Bank was used to conduct the feasibility study of the Oropouche River basin in 1992. It includes measures for the rehabilitation and improvement of the water drainage network, prevention of salt water intrusion and introduction of better in-field water control.

Mr. President, in 1993, the Government is funding pre-feasibility and feasibility studies with respect to irrigation, drainage and flood control measures in the key food producing area of Aranguez/Barataria/El Socorro. The studies will also include management plans for the Tagarigua, St. Joseph and San Juan watersheds and development of Guyamare and Cunupia water sheds.

I now turn to land settlement. Insecure land tenure, uneconomical farm size and availability of land are among the many constraints to development of the agricultural sector. This problem is being addressed at the highest level with an international team considering recommendations on the land distribution policy. Mean while, the Ministry continues with its programme of subdivision of state lands and provision of infrastructure in land settlement schemes with a view to preparing farm plots for distribution.

Marketing: Mr. President, the deficiency of proper marketing infrastructure has had a negative effect on the production efforts of the farmers. The emphasis in the transformation of the agricultural sector is based on the market-led approach to production. The Government recognizes its responsibility of ensuring that proper physical and economic infrastructures are in place to facilitate the marketing process.

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The formation of NAMDEVCO to replace the Central Marketing Agency marks the advent of a more dynamic approach to marketing of agricultural produce in Trinidad and Tobago. The objectives outlined for the establishment of NAMDEVCO reflect the Government's redefined role as a facilitator rather than becoming directly involved in the handling of produce.

The Debe Farmers' Wholesale Market which will be commissioned in 1993 will serve the farmers in the South Region. Detailed designs for the North Market at Orange Grove will be prepared in 1993.

I will now talk a little bit about NAMDEVCO. NAMDEVCO is in the process of establishing a trade facilitation service the objective of which is to match supplies and purchases of agricultural commodities, both nationally, regionally and internationally. A facet of this service will be a computerized market information system.

Mr. President, at present, NAMDEVCO provides market information to farmers through its Market Information News Service. NAMDEVCO will engage in market research to guide farmers in their production and marketing decisions in the transition to market led growth and development in the sector.

While NAMDEVCO focusses on development of the domestic market, the Export Development Corporation will continue to work with farmers and entrepreneurs in the development of niche markets for non-traditional agricultural commodities and processed products. Other initiatives in the area of marketing are being undertaken by the Caribbean Agricultural Trading Corporation under the umbrella of Caribbean Food Corporation.

Mr. President, I now move to the Agricultural Development Bank of Trinidad and Tobago. Over the past year, the ADB has continued to provide financial and technical support for the progressive, balanced and sustained development of the domestic food and agricultural sector.

In this capacity, the bank has maintained financial support for all participants in the agricultural community at a subsidized rate of 12 per cent. The bank has continued to fund all the major activities in agriculture. In fact, funding for sugarcane, livestock and ornamental horticulture has increased 100 per cent.

In addition to providing monetary support to these traditional activities, the bank has expanded to some non-traditional agricultural activities, for example, agricultural inputs, mechanical services and marketing.



Changes in technology and the economic environment have impacted on the farmer. The ADB has made a positive move to adapt the services to meet the needs of its clientele. In this context, the bank has to some extent achieved this goal with specialized loan packages which make funds easily available to the farmer. In fact, both small and large sugar-cane and rice farmers have greatly benefited from these packages.

Mr. President, the bank has sought approval from Parliament via changes in the ADB Act to institute improved facilities to both the agro-industrial and farming communities. One such measure involves refunding credit. Both small and large farmers can use this facility to obtain credit for the day-to-day operations on their projects.

The organization has made plans to create a land bank which is specifically targeted to the unemployed in an effort to stimulate the interest in the agro-business sector. While the emphasis is on youths, this plan allows opportunities for all other unemployed persons.

The bank, through its networking with other organizations such as CARIRI, IDC, NAMDEVCO, IICA and SBDC has gained a wider appreciation of the wealth of information available to the agricultural sector. This has improved both our funding programme as well as the quality of technical services offered by the bank.

Mr. President, over a five-year period in 1988, the bank approved loans of \$29.7 million, benefiting 1,180 beneficiaries. In 1989, it approved \$36.6 million, benefiting 1,633 beneficiaries. In 1990, \$45.4 million, 1,894 beneficiaries. In 1991, \$49.7 million, 2,298 beneficiaries. From January to October, 1992, \$53.3 million, 2,041 beneficiaries.

Mr. President, to give you some idea of the land bank, while the availability of land, particularly to the youth of the nation and the vast number of unemployed remains a major obstacle to the goal of increasing food production, the ADB is holding a large number of agricultural properties which were pledged as security on loans which are now in default and on which the bank has foreclosed.

These properties constitute idle productive resources which under new ownership and/or control can contribute to increased agricultural production and generate much-needed employment opportunities.

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Much of the lands held by the bank are not attractive to investors because of a lack of infrastructure, including access roads, drainage and irrigation. In an effort to make these lands conducive to agricultural production, it will be necessary to develop the required infrastructure.

The ADB in 1993 will establish a subsidiary company which will undertake the necessary developmental work to improve the marketability of properties held against failed loans and for which previous sale attempts have been unsuccessful. Properties developed by this subsidiary will be sold or leased to investors desirous of engaging in agricultural production. This will significantly add to the acreage under production and contribute to increased production and unemployment generation.

**Sen. Spence:** I wonder if the hon. Senator would like to comment on the fact that so many enterprises funded by the bank have failed. Is he suggesting that it is due to the fact that the access roads and the infrastructure was not in place. If so, why did the banks make these loans? It says something about the agricultural sector when there are so many failed enterprises funded by the Bank. I wonder if he would like to comment on that.

**Sen. Hassim:** Some of these are in very remote areas where the roads have deteriorated over time. If these roads are repaired now we will have more access to these properties. Some of these properties are large acreages and it is very difficult to sell these large acreages. The new company will have the mandate to subdivide these properties to become more available to small farmers. This is the thinking behind it.

Mr. President, I just want to say something on research institutions which was mentioned in my opening remarks. Agricultural research and development has played a major role in the agricultural sector and the economy as a whole. Projects were designed and implemented with the aim of increasing overall production, enhancing business opportunities in both primary production and agro-processing. It is expected that in the agricultural sector, with a strong emphasis placed on agricultural technology and systems enhancement there would be generated employment opportunities and the potential for export-led growth.

In this connection, Mr. President, the Caribbean Agricultural Development Institute has placed renewed emphasis on its research programme for 1992. In the livestock subsector a survey of dairy farms has been undertaken to assess existing

farming systems with the ultimate goal of determining technical capability and thereby designing programmes accordingly.

Mr. President, another focus was that of upgrading small ruminant husbandry in association with the development of extension capability and technology transfer. Additionally, marketing and the market potential for small ruminants is being considered. Research was also carried out in the area of animal nutrition with evaluation of local legumes and grasses such as laucaria and elephant grass as alternatives or supplementary sources of nutrients.

Intake and digestibility were the parameters examined for the urea treated bagasse.

This project also evaluates sodium hydroxide treated bagasse to identify more cost effective methods of livestock production. This is being conducted in conjunction with Caroni (1975) Limited towards enhancing the performance of that company's livestock herd.

The crop programme was designed to improve local production of important sources of nutrients such as protein, the bulk of which is presently imported. These projects will also result in conservation of foreign exchange. A complete programme was developed for the evaluation of peanuts as a crop with commercial potential. Sufficient success has been achieved to the point where onfarm trials are now being conducted. Pigeon peas are also being evaluated for the potential of the production of a split pea from this source. It is intended that work in these areas will continue in 1993, along with new programmes involving sesame seeds and aloe vera, which is showing great potential on the international market.

Another institute on the forefront of technological advancement is the Caribbean Industrial Research Institute, where work has been progressing in close collaboration with the Minister of Agriculture, Land and Marine Resources. CARIRI has been involved with both primary production and processing with a view towards improving technology in primary production and adding value to local raw material. It was to this end that the hydrotiller was developed in 1992.

This farm implement was designed to improve efficiency of operations in rice production and has been fully adapted to the local system of rice cultivation. It is expected to be available to rice farmers for the 1993 crop. The Caribbean Industrial Research Institute recognizes the rice subsector as key to agricultural

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development in Trinidad and Tobago and the hydrotiller is expected to make contribution towards increasing local production both in terms of quality and quantity. As part of its continuing work towards the development of the rice industry, other instruments such as the rice tiller and pumps have been designed for use in cultivation.

In terms of agroprocessing, CARIRI has worked on aloe vera and aloe vera based products which have been selected for market testing and passed on to private entrepreneurs. Other products under consideration include products from mangoes as well as under-utilized plants such as the "neem".

Mr. President, CARIRI continues to provide an invaluable service in this regard, both small and large processors have been targeted through training programmes in food processing. These programmes have been assigned to enhance technical capability of food processors and have been undertaken in collaboration with the IDC.

The projects outlined are expected to result in considerable improvements in the technology of processing in the food sector. In 1993, CARIRI will continue to seek out new technology which can be adapted to meet local needs. Already underway are plans to revitalize the programme based on essential oils and oleoresin extraction from local plant sources for the manufacture of a wide range of products.

Mr. President, the Faculty of Agriculture at the University of the West Indies, an extensive programme for research has been outlined for 1993. Fruits as well as ornamental horticulture and crop prevention will play contributory roles. Many of these programmes will, however, act as a continuation of projects already underway. One such project is that of tissue culture which has been targeted for further commercialization. This was made possible through a joint effort of the University of the West Indies, NIHERST and Caroni (1975) Limited. The laboratory has the capacity to provide planting material to the agricultural sector on a commercial scale and therefore encourages the conservation of valuable foreign exchange.

Mr. President, research is underway in areas such as ornamental horticulture, for example, orchid and anthurium production. These areas have been recognized as possessing great potential for foreign exchange earning and employment generation.

Breadfruit has been targeted for further research since this fruit is believed to have considerable potential as a staple in the local diet, which is low cost in terms of production. Other fruits are receiving attention, not only as valuable sources of nutrients but as potential export crops.

The role of crop protection here cannot be overlooked. More recently, improved pest management, utilizing microbial control, for example, has been in preparation for agricultural research. This is especially important with regard to the potential positive impact on the environment. The faculty is also investigating formulation of livestock feeds utilizing local feed components to reduce the high percentage of foreign input and the evidently high expenditure on imports.

Mr. President, I just want to mention something on the programmes on cocoa and coffee. In 1992 the emphasis in the local cocoa industry was on co-operation among Caricom cocoa producers. In this connection, a meeting was held in Jamaica with the intention of devising schemes for improving quality and pricing in the region.

Locally, the direction of the industry has been towards improving quality and the efficiency of local marketing systems. This included recommendations for improved equipment and facilities of buying agents. The export market was also targeted for expansion and this matter is being explored.

The local industry, Mr. President, stands to benefit from a renewed effort of rehabilitation based on the recommendations of a task force which were set up in 1992 to review the sector. A plan has been put forward and awaits implementation.

Mr. President, I just want to identify some of the programmes of Caroni (1975) Limited. Caroni (1975) Limited has benefited from the major development and diversification programmes. The major diversification projects include:

- (1) The Mon Jaloux Dairy and Sheep project.
- (2) Buffalypso herd/Beef herds.
- (3) Food and Tree Crop Programme at La Gloria.
- (4) Fores Park Propagation Station.
- (5) Rice project.
- (6) The Rum Division.
- (7) Aquaculture Project.

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These programmes can only have a positive impact on the agricultural sector. They are largely indigenous and make both practical and economic sense for the types of land that the company owns.

Caroni continues to gear production of sugar-cane towards its target of 125,000 tonnes per year. However, in response to the diversification thrust, the company now seeks to produce pineapples, oranges, plantains, pigeon peas, soya beans, corn and rice.

Caroni's projects have also been developed in response to demands in both local and foreign markets. Rum production, and, to a certain extent, citrus production have been geared towards entering local and international markets.

The company, Mr. President, has now become more than just a sugar producer. Its activities have integrated aquaculture, livestock and the production of a range of crops to create a broad-based farming system committed to achieving food security and earning foreign exchange.

Mr. President, I trust that hon. Senators are convinced that the PNM Government, of which I have the honour to belong, has a futuristic policy for agricultural development which for the long-term will benefit the entire nation. Our deep and abiding commitment to national development issues is reflected in our policy aimed at growth and revitalization of the agricultural sector.

We remain committed to facilitating agricultural development by providing institutional as well as financial support and advice to farmers.

Mr. President, I commend this 1993 budget to all hon. Senators and look forward to their support.

*Motion made and question proposed,* That the Senate do now adjourn to Thursday, December 3, 1992 at 1.30 p.m.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 8.00 p.m.*