

*Leave of Absence*

*Thursday, December 3, 1992*

**SENATE**

*Thursday, December 3, 1992*

The Senate met at 1.30 p.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. President:** Hon Senators, I have granted leave of absence to Sen. Diana Mahabir-Wyatt who will be absent from sittings of the Senate during the period December 3, 1992 to December 6, 1992; to Sen. Barry Barnes to be absent from today's sitting; and Sen. Brian Kuei Tung to be absent from sittings of the Senate during the period December 3, 1992 to December 8, 1992. These three Senators are out of the country.

**LATE ARRIVAL**

**Mr. President:** Hon. Senators, I have been advised by the Leader of Government Business in the Senate, the Minister of Planning and Development, Hon. Lenny Saith, that he will be a little late, and that Sen. Mansoor will be here about 4.00 p.m.

**PAPERS LAID**

1. Report of the Auditor General on the Accounts of Trinidad and Tobago National Petroleum Marketing Company Limited for the year ended March 31, 1992 [*The Minister of Public Administration in the Office of the Prime Minister (Hon. Gordon Draper)*].
2. Report of the Auditor General on the Accounts of National Agro Chemicals Limited for the period October 1, 1989 to March 31, 1991 [*Hon. G. Draper*].
3. Report of the Auditor General on the Accounts of Trinidad and Tobago Television Company Limited for the year ended December 31, 1990 [*Hon. G. Draper*].

**APPROPRIATION BILL  
(BUDGET)**

[THIRD 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. Prof. John Spence:** Mr. President, I rise to speak on a bill entitled, "An Act to provide for the services of Trinidad and Tobago for the year ending December 31, 1993".

Before I start addressing the matter at hand, I just want to make a few introductory remarks: first of all, to express my extreme disappointment that neither Ministers Mottley, Valley nor Keui Tung is present. Quite frankly, I consider that these are the Ministers in the present Government who are making the pace, with all due respect to my colleagues who are also Ministers. These are the ones who are making the important decisions because, in fact, the other sectors are being affected by the decisions made in trade and, likewise, I believe that planning has a strong influence. My other senatorial colleagues have heard my pronouncements about agriculture frequently and so it seems to be a very great pity that those Ministers are absent. I suppose it just indicates the importance of agriculture in our system.

The point I would like to make before starting on the business at hand is to support my colleagues on the Independent Benches in their call for the restoration of the sums that have been reduced to Servol, but I will address this later when I make some comments about the role of non-governmental organizations. I support that call fully and I hope that the matter is being addressed.

**Sen. Ojah-Maharaj:** Mr. President, I would like to inform the Senator that notes will be taken of what he will be saying and passed on to the relevant Ministers.

**Sen. Spence:** Thank you very much, Senator. I will also see that they get a copy of my notes.

Mr. President, I think it is important for us to set the context to what we are now discussing in terms of the budget and, more specially, in the context of the economic plan. As was being pointed out by many of the Government Senators, everything cannot fit into the budget speech, so it has to be read in the context of the *Medium Term Policy Framework*. Therefore, if we are to address that I think we should very briefly, from my point of view, look at the history of our economy in a very broad sweep to the stage that we are now at. It is in that context that I believe we have to act.

I think the point that we should start at is 1973. The period 1973—1983 was the period of the oil boom, and during that period, apart from natural consumer spending, we did two things which I think were important for the future of our

economy. One is that we built energy-based industries—Point Lisas Development: Iron and Steel, Methanol, Urea, Ammonia, and the like—and those are very important in the long term.

Next, we laid down a number of development funds. As I will discuss in a while, those funds were, in fact, utilized to meet recurrent expenditures and were not kept for the purpose for which they were originally intended. I think that Dr. Williams was very wise in the sense that he realized that the oil boom will be transient and, therefore, he laid down some very substantial development funds; the intention being that when the oil money ran out those development funds would be available for times like now when we are short of funds for our development.

The fourth thing that I think we ought to note for that period is that there was a decline in agriculture, undoubtedly, very substantial. Up to 1975, our agricultural exports merely paid for our food imports, but now, of course, we do not get anywhere near to that, not even one-tenth. Now, many people attributed that to the advent of DEWD, and while I myself felt that was not the whole story, I think it leaves us with a clue as to how we should address the manufacturing sector today. The farmers at that time claimed that the rug was pulled from under their feet by the advent of high wages in the rural sector in the form of DEWD. Personally, I argue—and I have always argued—that that should have been the signal to those planters to mechanize their operations and not to be worried about the fact that there was labour moving from the land, because if they were to have an efficient agricultural system they would definitely have needed to mechanize and use less labour. But they did not do that, and I think it is important for us to recognize that fact, whatever I may say about what they should have done. What they did was to move their capital out of agriculture into more lucrative fields in other sectors of the economy. I think we must bear that in mind in thinking about our present situation.

The fifth thing is that we developed during that period a manufacturing base and we strengthened it just towards the end of the period when there were particular concessions given by the Chambers' Government, I think it was, for renewing of machinery. So, much of the export drive that has been taking place over the last few years can be attributed to that concession made by the Chambers' Government in those years which allowed the manufacturing sector to re-tool and then—

**Sen. M. Hosein:** Mr. President, I am very concerned about this statement made by the Senator about having mechanization of the industry. I wonder if he could explain, for my benefit, how someone with, say, one acre of land, planting tomatoes can mechanize. Perhaps, he can inform me.

**Sen. Spence:** Mr. President, I will just give a quick example and come back to it later on. If you ask the normal planter in Trinidad how many people it would take to maintain 50 acres of citrus, he would probably say between 8 and 10 persons. In fact, I know of one farmer—and I mentioned this frequently in the Senate in the past—who manages 50 acres with one employee, and he tells me that if he were a younger person he would not employ anyone at all; he would drive the tractor himself. So, that is the level of change—certainly in tree crops—in some cases which we could have carried out. If you think of rice, I can assure you that the number of people employed by Caroni in their rice production system is less than the number that was employed under the former system of growing rice in Trinidad and Tobago.

**Sen. M. Hosein:** Certain crops.

**Sen. Spence:** Many crops. I am talking particularly of those crops which went out, not the vegetables which came into production.

The next period that I think we need to look at is 1983—86 when there was a reduction in oil prices which led to a contraction of the economy. I think that we ought to remember at this stage that in 1983 the Chambers' Government appointed a committee under Demas to make certain recommendations with respect to how we should manage the contraction of the economy. I believe that had we managed it in the way that it was suggested at that time, we would not have been in for the terrible shock we got in 1986. But nevertheless, let us move on to discuss what else happened at that time. The economy contracted and we did not carry out Demas' recommendations. There was a loss of foreign reserves and—this is one of the critical things, I think—we utilized the development funds to cushion the fall. During that period, the development funds which had been set aside by Dr. Williams were utilized to make up for the deficit in fiscal income that we were suffering. Also, at that time we had the first devaluation.

**1.40 p.m.**

Then we come to the period 1987—91 in which we are now faced with the problem of a still contracting economy, loss of foreign reserves and the

Government finding it very difficult both to balance its fiscal budget and to meet foreign exchange requirements. It was during that period a decision was taken to enter into the structural adjustment programme. I think it is clear that we were, to some extent, necessitated into that programme by the situation that we faced at that time. It was necessary to reschedule the foreign debt which had accumulated largely because of the heavy investment in the energy-based industries and infrastructure like TELCO, T&TEC and so forth. Those are the expenditures which got us into foreign debt and then we had the problem in that period of having to meet those commitments. So in order to reschedule the foreign debt we had to enter into the structural agreement with the multilateral organizations. We had a further devaluation.

Now during that period the NAR Government had four priority areas stated: energy, manufacturing, agriculture and tourism. Some of us at the time questioned whether there could, indeed, be four priority areas in fact covering most of the energy sector. But nevertheless, that was the stated policy and quite a substantial document was prepared, the *Medium Term Policy Framework* and on the agricultural side, a very large document and much discussion on the Agricultural Development Programme.

The next period is from 1992 onwards with another change of Government. The first thing that we should note is that structural adjustment is adopted by what I refer to here as the "new PNM". I say that, because in my opinion adoption of that programme really signalled a substantial departure from the approach to economic development that had been taken in the past by this party. I am not criticizing or condemning, I am just saying that there was a change which one needs to recognize. To me the emphasis of this change is given by the fact that Mr. Gatcliffe has recently praised the Prime Minister for his economic thrust. Now I, for many years, have sat with Mr. Gatcliffe on various committees in the old days of the National Advisory Council, so I know his views very well. Therefore, I can interpret the thrust of the Government by that statement, apart from the actual programmes that are being put into effect. So there is no doubt that we have moved to the right with respect to how we approach the economy.

The next thing that I discern from the present budget is that we are, again, at least in the short and medium term, placing a great emphasis on oil for our economic development. Now, it may be that the other sectors are mentioned in the

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

*Medium Term Policy Framework*, but as I will discuss in a while, the policies which we are adopting or the actions we are taking show very great doubt of the survival of both the manufacturing and agricultural sectors and we seem to be saying very little about tourism. If you listen to all the public speeches made by the Minister of Finance, Minister Mottley, he gets very enthused about the programme for oil investment and we heard, of course, the very erudite exposition here by the Minister of Energy on that theme. I wish we could get similar enthusiasm and coverage of the subject in the agricultural sector. That is not to belittle the contribution of Sen. Hassim, but I think, perhaps, that unfortunately, he is not correct in all the projections that he made for the agricultural sector.

Now, I believe that the present Government, in fact, is carrying out what I would term a modified structural adjustment programme. It is important to look at that because there are certain series in the structural adjustment programme which, if you interfere with, sets up other problems which you then have to deal with. So that a structural adjustment programme, first of all, is based on trade liberalization which means removal of the negative list; removal of subsidies; and reduction in tariffs in the eventual term. But it also envisages liberalization of currency, that is, that the currency finds its correct level in accordance with one's ability to produce. Also, it emphasizes fiscal balance which, in many circumstances, includes privatization because many of the state enterprises, both here and in other countries, have to be subsidized and so the subsidization removal also implies privatization in some cases. It implies a strict adherence to foreign exchange balance, and very important for the agricultural and manufacturing sectors, it implies export-led growth, which means that the concept of trying to utilize a great deal of what we either manufacture or produce ourselves in food is no longer favoured and the concept is that we must earn our foreign exchange by export; and import whatever we need from wherever.

Now in the agricultural sector, this becomes extremely relevant because, in fact, on the world market today much of the countries that are exporting food are subsidizing it. So it immediately means that we are faced with cheap food and imports to compete with our local agricultural production system. At the same time, the structural adjustment theory is that we would remove our own subsidies and we are being asked to do this at a greater pace than the gas negotiations are progressing in order that other countries will do the same. If indeed we were following a successful completion of that, then perhaps the picture would not be so bleak, because our own farmers would be competing with food that is being

produced in other countries which may be more heavily mechanized and, in that sense, may have an advantage but, perhaps, would have higher labour rates and so we would have some advantage there. Also, if our exchange rate was right we might be able to compete because of the rate of exchange and the cost of the imported food. But that is not the current situation.

The current situation is that we are faced in nearly every aspect of food with subsidized imports, and so the playing field is by no means level.

**1.50 p.m.**

The sixth point with structural adjustment which has come into vogue because of the disastrous effects that have taken place with respect to rapid adjustments in other areas, is the safety net. So we are addressing that as well.

I would like just to mention what I consider to be the modifications that Trinidad and Tobago has put into that system of structural adjustment, and I would invite the hon. Minister to interrupt at any point in which he feels I am not faithfully recording what I interpret to be the present situation with respect to the Government's thrust. Trade liberalization is being pursued with the removal of the negative list, but trade tariffs are being presented in compensation for a period of time. These will eventually phase down to the common external tariff, which, in itself, may be reduced in the long term, because, certainly, that is the theory of global trade liberalization. So that is in keeping with the normal theory.

The second point, however, is that we are operating on a fixed rate of exchange. Now, that is not in accordance with the theory. We can either believe that the exchange rate is fixed at the correct level or, as some people believe, it may be somewhat overvalued. Certainly, some of the experts feel that currently our exchange rate is, to some extent, overvalued. That may or may not be the case. But certainly it is the case that it is fixed and, certainly, if we were to have an economic thrust in certain directions, we could get the situation where it was again overvalued, and then we would have to decide whether to move it up, move it down, or to adjust in accordance with its true value.

Thirdly, because of that issue of the fixed exchange rate—possibly slightly overvalued—and removal of the negative list, we are faced with the possibility of greater imports and, therefore, a shortage of foreign exchange. In order to address that issue, it is necessary to take certain monetary measures. So that we increase interest rates and the Central Bank acts to reduce liquidity. Now that, in itself, has other problems, because it means that business operations are faced with higher

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

interest rates, as, indeed, is agriculture and tourism, and the like, and the reduced liquidity means there is less money to invest. So by having a fixed interest rate, we are faced with these other problems.

I think it might be useful for the hon. Minister to, perhaps, inform some of his colleagues about some of these facts, because I noticed that one presentation in the other place referred to the fact that the Government is not pursuing a monetary policy, or was criticizing the NAR for having pursued a monetary policy. So we are trying to reduce foreign exchange spending by this policy of higher interest rates and reduced liquidity.

Now what is the outlook for 1993, first, in terms of the *Medium Term Policy Framework* and in terms of the budget? It seems to me that considerable emphasis is placed on investment in oil, both by way of attracting foreign investment and by way of any efforts that we can make locally. With respect to the other sectors: agriculture and manufacturing, it seems to me that there is uncertainty in their future. I will discuss some of these issues to do with agriculture, shortly.

Next, we still have a heavy foreign exchange debt which creates a problem for fiscal balance and foreign exchange balance, and so, in effect, we have a difficulty in creating a surplus for investment of anything. We must face the fact that our national income has reduced since 1983, by some 40 or 50 per cent. I do not think that has really sunken into the national psyche, that we are, at least, 40 per cent, perhaps, 50 per cent worse off than we were 10 years ago. Because that has not sunk in, many other things follow. We feel that we can live at the same rate, when we cannot. Of course, the way that we are doing it, or some of us are doing it, is by the next issue that we have to face, that is, having a high unemployment rate. Of course, what happened when the economy contracted, we did not all just take a cut of 30 or 40 per cent. If that had happened, perhaps we would have got a certain social balance and our difficulties would not have been quite as great now, certainly from the point of view of unemployment, but re-adjusted by the unemployment ratio going up to some 20 per cent, where it still is at.

So what happened was that many of us were worse off and many of us did not have to move so far down, whereas another group moved somewhat, but not quite as low as they should have done, if you assume a 50 per cent reduction in national income. So high unemployment is still a problem.

The other issues that we face, reduced subsidies to the various state enterprises and, more particularly, the utilities, which means that they have to charge higher



fees to balance their budget; and, of course, lack of growth. I have already mentioned the high interest rates and the low liquidity.

We talk a lot about the progress that we are going to make and we are moving from stabilization to growth. I want to suggest here that when we are discussing that issue, we should, in fact, add to our list of criteria for success, a couple of others. Now as far as the multilateral agencies are concerned, there are three measures that they use. One is fiscal balance, the second is foreign exchange balance and the third is growth in GDP. I believe the Trinidad and Tobago Government does tend to use a fourth, and that is the unemployment rate. Of course, depending upon whether you are in the Government or the Opposition, if the unemployment rate is high, you tend to use it less, as, indeed, we saw with the discussions in the United States during the last election campaign. That was to be expected. But nevertheless, this Government does put the unemployment rate as one factor.

I suggest that we should have a fifth measure of success, and really, it is for our economists and sociologists to devise this one. It is an index of well-being. In the United Kingdom, what is done is that there is an annual household survey which, in effect, measures the spending and the livelihood, the state of housing, whether the house is rented or owned; the income; the expenditures in various areas: alcohol and tobacco, entertainment, food. These factors give a very good measure of how your population is faring in the economic situation. I think it is extremely important that we have that index. Depending upon your point of view, one might refer to it as an index of well-being or an index of adversity. But, certainly, you will need another measure, and we should not claim success for whatever measures we have taken if we have not had an improvement in that index. So surely it should make the fiscal account balance, although, as I will mention in a while, there are circumstances in which it is better not to balance it.

Secondly, we need to make the foreign exchange balance, because if we do not, then we are really in trouble. Of course, thirdly, related to the index of well-being is the unemployment ratio. So it is extremely important that we develop that measure, and we, as a population, should measure the performance of the Government in relation to that fifth category as well.

Now if one then looks at the budget in a little more detail, as I said, we seem to be making a major thrust in oil. So I think, perhaps, it is important to look at some of the risks that we may be taking if we, indeed, take that path. It seems to

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

me that, really, our memories are very short, so short that it is alarming. We do not seem to remember what happened in 1986 when the price of oil dropped to \$8 per barrel. Could any economist have forecasted that the oil would have dropped to \$8 per barrel? I do not think so. That, again, emphasizes that while, clearly, we must develop our oil resources to the maximum, it is not the only measure that we should take, and we should be addressing other measures with equal urgency, or, indeed, we may find ourselves in even greater trouble than we are now.

Secondly, I think it was Sen. Kuarsingh who pointed out that there was a great deal of risk in finding or not finding oil. Indeed, he was making the point that we should not be making those investments at all, because it is a gamble. So, again, if that is true, we are gambling our future on whether we find oil or not. That is not to say that we should not look. But at least we should double our options by assuming that perhaps, we might not find it and will be taking other measures to counteract the adverse effects if that happens.

**2.00 p.m.**

But suppose we did find oil what would happen? Would we be going through a cycle that we have just gone through of a boom period, or would the find not be great enough to create a boom so that in fact we improved our economy and we grew a bit but we will still have a chronic and substantial unemployment situation? Because if these other sectors do not develop, where is the employment going to come from? There are very few people employed in the oil industry and the spill-over which will find itself into the services sector, will create some employment. But nevertheless I believe we will be faced with a chronic unemployment situation if we do not develop the other sectors.

The problem with oil as well, is the difficulties of negotiating with the oil companies. This has been discussed in various ways. I certainly do not think that we should be running away from the possibility of investment with foreign oil companies. I am just saying that in a sense we are in a rather weak position to negotiate and we are in a weaker position to negotiate if that is our only option. If we could say, look, we have other standbys and if your terms are not quite what we would like them to be, perhaps we can adopt some of those. We are, therefore, in a slightly stronger position to negotiate. If however, we have no other option, then quite frankly, we would have to take whatever hand-outs they are willing to give. I think we have a difficulty with negotiating.

The other risk about the dependence on oil is that we will go through the same cycle that we have done over the last 10 years; that the other sectors will not be considered important. So we will risk completely losing our interest, which I think we have done anyhow, in the agricultural sector. If somebody does not do something we would not be able to revive it. Of course, if trade liberalization was meant that the manufacturing sector was not doing so good, why worry, we have oil. Most of us in this country do not like tourism anyhow, so that will be a good excuse not to develop that sector.

I would like to mention what I see the risk to be for the manufacturing sector, but particularly for the agricultural sector. With respect to the manufacturing sector, I cannot say much about this because personally, this is not my field. I would like to read from a recent UNCTAD Report which is *UNCTAD VIII—Analytical Report* by the Analytical Secretariat to the Conference—Issues for the 1990s.

The current theory that is being propounded in Trinidad and Tobago by most of the Government authorities is that manufacturers have been too well protective in the past, and what we need to do is really throw them into the deep end and if we do that they will swim or drown.

I quote from the document:

"Experiences with trade policy, both recently and in a longer term perspective, leaves some lessons for the future. Countries that have introduced coherent and stable export promotion measures have undoubtedly fared better than those which have geared incentives exclusively towards the domestic market."

So sure, we need to be outward looking in our production system both with agriculture and manufacture. I continue:

"Management of the exchange rate so as to avoid over-valuation and maintain roughly stable incentives for the production of tradables appears to have been more significant than import liberalization in those countries with the best outward-oriented industrialization records."

We are doing exactly the opposite. We are putting our emphasis on trade liberalization and not adjusting the rate of exchange. If you take the agricultural sector, there is no doubt that the agricultural exports will benefit and, indeed, competition from agricultural imports would benefit if we were to alter the rate of exchange.

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

"In those countries import liberalization came later after export success has been consolidated."

So they did go to trade liberalization but not in the first instance.

"So far, there are no examples where import liberalization, by itself, has led to rapid growth. In fact, the mere withdrawal of protection without its replacement by supportive policies to really allocate resources or to improve productivity in industry is extremely costly. The economy responds very slowly and inefficiently to this kind of shock treatment."

That is just that, shock treatment that we in Trinidad and Tobago are saying is needed and will succeed.

I mentioned earlier on the effect that DEWD had on the agricultural sector. My fear is that the shock treatment will have just the same effect on the manufacturing sector. The fact is, I do not think we have a history in Trinidad and Tobago of great entrepreneurial drive and so the balance between our being interested in the particular activity and being not interested is rather delicately poised. We can be pushed one way or the other. It seems to me that we would not need much of a push in the wrong direction for our manufacturers to decide, that really, there is much more income to be derived from trading or an investment in some other country for them to decide it is not worth the struggle of trying to export against a world in which the playing field is not level. That I think is the fear of our manufacturing sector.

With respect to agriculture, the problem is as I said before, the cheap subsidies which we face. It distresses me no end, to hear government speaker after government speaker in different fora talk about the importance of the agricultural sector—I went to the other place to listen to the Minister of Agriculture and I also listened with great attention to Sen. Hassim—when in fact, the policies we are taking are leading directly to the destruction of just those industries which we are being told are the ones we must keep.

Beef: Hon. Senators would have listened to the exchange when I asked the Minister of Trade the question about the use of the anti-dumping legislation for protecting us against imported cheap Irish. His answer was quite clear: "No, I do not intend to use anti-dumping legislation because I have to have cheap food". Yet, if you look at the budget presentation you would find that with respect to agriculture the Minister of Finance has said that they would protect it by anti-dumping legislation.

Action speaks louder than words. The same thing applies to milk. We have cheap importation of milk. The Nestlé company has just reduced the price that they pay for milk, excluding the government subsidy from \$1.00 to 50 cents. I can tell you at least two large producers that will immediately have to say they cannot produce it. What will Caroni Limited do? We just had a tripartite discussion on Caroni. We have talked about diversification in all sorts of ways. Can Caroni afford to produce milk at that price? Of course they cannot. They will have to stop. Will they produce beef? They cannot compete against the imported beef, so they would have to stop that. That is why when we came to discuss Caroni Limited, I made the point repeatedly, it is no good having a tripartite committee to discuss Caroni until you have decided on certain policy options for the agricultural sector. Just precisely what I predicted would happen, is exactly what has happened. You say certain things are going to be done within Caroni Limited and then you take actions which will negate what you have said you are going to do.

Of course, all the other agricultural enterprises are the same. The Minister of Trade is talking about importing sugar. There was a time when Dr. Williams would not even allow diet sweeteners to come into this country, in order to protect the sugar industry. Perhaps that is going too far. But now we are going to import sugar to compete with our local sugar. Perhaps we should. All I am saying is that we are not doing it in a logical, sensible, scientific approach to the issue. I will repeat what I said in previous debates as to how we should approach that issue.

The same thing is true of chicken and rice. All of these are subject to competition from abroad if we do not protect them, unless we are quite clear that the structural adjustment programme that we are under has as its policy the importation of cheap food and the exportation of agricultural products to niche markets as its thrust for the agricultural sector. If you look at all the documents, and the very first document that said this was the structural adjustment loan document which I looked at four years ago. I have been saying this repeatedly in the Senate. The structural adjustment loan document said rice, beef and milk were uneconomic. What is our policy? Have we agreed with that or are we in fact, trying to negotiate with the World Bank on those issues?

**2.10 p.m.**

The theory in the structural adjustment programme says that you have free trade in agricultural commodities, and that countries like ours will import cheap food, not grow our own food, and we would export to other countries, those

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

commodities that we have a comparative advantage to export. I keep on saying we do not have any comparative advantage in our agricultural sector, because our soil conditions are not as good as many other countries, and we have allowed our agricultural sector to degenerate over the years.

Now, we have other problems. Let us look at the exports. Let us say we decided to adopt the World Bank policy and go for exports, so we would go for ornamentals. That is one which can stand on its own; no subsidies needed, just the removal of obstacles which are bureaucratic in nature, which, I can assure you, producers are now trying to grapple with and with some sympathy on the part of the Government.

What is the total acreage we have for ornamentals in this country? A mere 500 acres, a very small part of our 200,000 acres of the agricultural sector. In the United States for two years there have been bills before Congress trying to limit the importation of ornamentals in the United States. So, the playing field is not level.

We export cocoa, a very important produce. We had a long history of this and, undoubtedly, we are continuing to export cocoa profitably, provided we have the right support from the Government. Even that we have to be very careful about and we have to know what is going on in the world. Not too long ago, the fructose sweeteners came on the market and that completely knocked the bottom out of the sugar market.

Now, what is happening? *The Biotechnology And Development Monitor* says:

"Cocoa butter substitutes—

It may be possible one day to nibble on a chocolate bar and narrow the foreign trade gap at the same time."

The United States is developing the technology to use other oils with certain enzymes to make a cocoa butter substitute. They are getting closer and closer to it being of the same quality and taste as that which we produce:

"According to the US Department of Commerce, cocoa butter imports in the first 2 months of 1992 were about 19 million kilogrammes valued at nearly US \$58 million. In 1991, imports totalled about 93 million kilogrammes worth US \$279 million."

Of course, they are looking to cut their trade deficit, and that is what they are addressing.

We must have an early warning system in order to know in advance, because cocoa is a 20-year crop for it to be profitable, so we must know when to get out. That applies to our exports. That really is the problem. On the other hand, at least we have some greater control over our internal market, so we can say that we will continue to eat yams, even though they may have found a way to produce potatoes, but make them look prettier.

When it comes to how I feel we should tackle the present problem that we have, I would like to quote from an article by Lloyd Best in the *Sunday Express* dated November 22, 1992. What really saddens me is that of all the commentators on the budget, not one has drawn attention to the lack of interest which the budget shows in agriculture, except Lloyd Best.

The problem is really not just the Government. The problem is with us as a society. I think our attitude is characterized dramatically, by the comments made in the other place, by one of the Ministers, on *sici yea* figs and, indeed, by our own, Sen. Rahael. If we are going to be the financial and business centre in the Caribbean, why are we worrying about *sici yea* figs? That is what this Government and people in the country think about agriculture. But of course, *sici yea* figs is one of the upcoming imports into Europe because it is likely to replace bananas.

The head of our External Affairs who is also responsible for international trade is pooh poohing the idea of our producing *sici yea* figs. I have no issue to weather this with the political jive across the benches. I think some other political jive should have been used, because this was a very unfortunate one. Certainly, it sent a peculiar signal to me about what we think of the agricultural sector.

Mr. Lloyd Best made some comments on the budget which I would like to quote from. Page 8 states:

"The Budget in particular carries to absurd lengths the current fashion of concentrating on macro economic stability (p23) at the expense of crucial micro economic detail or even the charting of critical thrusts and sequences.

Mr. Mottley is obsessive about facilitating the private sector (p33); sound fiscal management (p40); removing impediments; identifying obstacles; improving climate (p21), restraining the fiscal deficit (p18), financial stability (p13); competitive market economy (p12), tight fiscal policy (p21), supportive monetary policy (p21); containing inflation, divestment of holdings. The

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

popes at the lending agencies could hardly have hoped for more of the old time religion."

I skip a part and go to another section:

"This concept of management is of course nothing but a pledge of impotence. No wonder we become completely muddled about what is tactical and what is strategic. The Minister fails entirely to see that successive budget actions add up to fulfillment of the development plan."

That is why I try to put this budget in the context of the whole process from 1983 to beyond.

"Nothing so exposes planlessness as the schedule of expenditure and revenue measures.

The aim of spending is to call into existence the capacity for production. This does not mean necessarily involving the State in running of enterprises. What it must mean is a cogent set of financial and other measures each targeted to raising the level of activity. But Mr. Mottley dismisses expenditure in less than 300 words, even including comment on the Public Sector Investment Programme.

I think this is very relevant, because it is exactly what I have been saying.

"There has been a lot of prattle about relieving dependence on oil but hardly any articulation of what that means in terms of investment choices. One seems able to mention investment without referring to choices at all save those between State and private or between local and foreign."

That is what I have been saying. If we are going to invest only in oil and not in the other sectors, where will we go? Later on, I will discuss one investment that we seem to be bound on in the agricultural sector namely, access roads.

I will skip right down to the thrust which I think we might take, and which best points to the latter part of his article:

"The other option would be to link increased activity to expansion at home. The proviso? Increased spending must be prevented from spilling over into excessive imports and a drain on the foreign exchange already so scarce."

In other words, he is saying you must have more activity at home, but if we have that and what we do causes us to import more, we have a problem immediately with foreign exchange.



"Is this not what makes the combination of agriculture, forestry and construction a more attractive choice perhaps even than oil? The requirement that we alter technologies of production and habits of consumption does seem to place more of the solution in our own hands. Such a programme could yield more lasting employment. Through that effect—but above all else through the impact on food availabilities—it could also provide its own social safety net."

I would like to propose my own modification of the Government's modification of this structural adjustment programme. The first I would say is that we really need to mobilize the local population behind whatever thrust we are going to take. In this I would wholeheartedly support my colleague, Sen. Dean.

I would point to two specific activities that I think we ought to develop immediately. These are not new proposals; these are what I have been proposing for the last five years. The first is that we should launch a grow more food campaign. I will make specific proposals as to how that might be launched in a while.

### **2.20 p.m.**

The second is that we should launch a proper buy local campaign, not the half-hearted, rather wishy-washy one that we have now started, which we have left entirely to the manufacturers to promote. We really have got to mobilize all our resources in order to encourage people to buy the local produce. As I have said in the past, it is very difficult to do that without an easy means of identifying what the local product is.

The first thing that we need to do is to label our products in such a way that they are easy to identify. You can get a red label, if you are more than 75 per cent local input; a green label, if you are more than 50 per cent; a blue label, if you are more than 25 per cent, and no label at all, if you are completely foreign. We cannot label the foreign products and say, "Do not buy that!", but at least we can label our own and say, "For heaven's sake, buy that!"

I think we need to have incentives for our local savings, so I agree with those who have called for a reduction in the 15 per cent tax on savings as a way to help generate more, and indeed, we have to negotiate with the credit units to ensure that whatever action we take—and I have no sides to take in this issue as to where they should be located. All I am saying is that we must be sure that the actions we take do not jeopardize that very important means of local savings.

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

I think, secondly, we need to negotiate with the multinational agencies in order to delay the removal of protection, both from the manufacturing sector and also from the agricultural sector. In this regard, look at what is happening in the world. We have frequently been told that we cannot isolate ourselves in Trinidad and Tobago, that we have to live in a modern world and relate to other people in trade all over the world. Look at what is happening. Clinton beat Bush and listen to the discussion that took place in the United States on the issue of government intervention in the economy, safety nets, deficit budgeting in order to get production going—all that was the Clinton plan. With Bush and Reagan, extreme right has gone out. Of course, in Trinidad and Tobago we are always 50 years behind the time. John Major is in trouble; he may not survive, so that the world is having a second look at the extreme position of trade liberalization. GATT is not succeeding. Will GATT succeed? It is anybody's guess. If it does not, what is our position? We would have taken down all our barriers, because we are all for trade liberalization. Let us please try to negotiate with the agencies for a little slowing down in the process for the removal of protection.

Let us be a little less efficient. One of the things that I could not help reasoning out to myself was that I did not agree with the thrust of the NAR Government. Having sat with many of my colleagues, including Sen. Valley, in the Benches in the first couple of years of the NAR thrust, I had expected a change in thrust when his Government got into power. Of course, that would not materialize, but what has happened is that the PNM is more efficient.

**Sen. Valley:** Mr. President, yes, the PNM is more efficient in what it does, but there has been a change. Perhaps it is not too apparent to the hon. Senator.

**Sen. Spence:** Mr. President, unfortunately, this increased efficiency is to our detriment. I am suggesting that we might, without publicizing it—although I suppose my saying it publicly here will publicize it—without saying it to the multinationals, let us be a little less inefficient in rushing into the removal of the protection.

With respect to further modifications, we must really use the anti-dumping legislation, not just say that we are going to use it. Quite frankly we have to look for other non-tariff barriers. There are a number of non-tariff barriers. I understand that the United States has a list of 200 non-tariff barriers. We do not necessarily have to publicize that we are using these but certainly we can study their system. Perhaps we should send a couple of people to study the non-tariff barriers in the United States. Let us try to slow down the process a little bit.

Next, we really must have meaningful dialogue with the manufacturers, the agriculturalists, the trade unionists and the NGOs. Look at what is happening. The Government and the manufacturers are talking to each other in the press, no doubt they meet as well, but certainly as an outsider, one gets the impression that there is antagonism going on. Surely, what we need to do is for the manufacturers to be convinced that the Government is on their side. Perhaps they do this. Perhaps they quietly say to them, "look we are trying to slow down but it is very difficult, we cannot quite make it". Perhaps that is what is happening. That is what should be happening and certainly if that is happening, why are they still having this aggressive dialogue in the press?

The same thing applies to the trade unions. Can there not be some agreement about divestment? Surely, we can persuade the trade unions that some of the enterprises do not make any difference at all. It really does not matter to our economy whether the Government owns Farrell House (1975) Limited or Trinidad and Tobago Printing and Packaging. It does matter, I agree, it owns Urea or Fertrin. That is a much more important matter which I certainly myself have resolved.

We need to use the non-governmental organizations more and I will come back to that a bit later on.

With respect to agricultural development, what we really need to do is to address the issues there in a macro economic way. I am sorry to bore my fellow Senators, but the hon. Minister in the Ministry of Finance will not have heard this before, so I am going to repeat it. I think it bears repeating. We need to examine each agricultural commodity in terms of 10 socio-economic issues. First, the foreign exchange balance, including Caricom trade; second, employment generation; third, contribution to GDP; fourth, the need for subsidies; fifth, the need to protect local farmers by anti-dumping and other legislation; sixth, the rate of exchange policy, which is extremely important for both import and export of agriculture; seventh, the price of food. The hon. Minister of Trade is right. We have to take the price of food, but not his taking a unilateral decision that he wants cheap beef, therefore he will not use anti-dumping legislation. It must be based on some assessment of the situation; Eighth, food security. We keep on talking about food security. I wish that we would stop doing it—because obviously we do not believe in it—unless we take certain measures, unless, of course, we interpret food security as the ability to purchase our food. So, we have developed the oil industry in order to give us a surplus in foreign exchange to purchase our food. If

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

we are talking about food security in terms of availability locally of at least part of our food, then that is an issue.

Finally—and I emphasize finally—because we are putting this at the top, infrastructure for agriculture. What in goodness name is the use of having access roads built if you have not yet decided what commodities you are going to produce? Decide where you are going to produce them, then put the roads to get them out. The Government will say that we are spending \$50 million this year on agricultural access roads, the farmers may be very upset with me for saying this, but I honestly do not know why we are doing this until we have decided what we are producing and why we are producing it. It does not make sense. What will happen is that we will spend the money and our agricultural production will not go up because the farmers will not find the economic commodities to produce.

So, Mr. President, I would just quickly suggest certain modifications to the budget to address some of the issues that I have proposed here and they are not—except in one case—major modifications. I suggest that we have an item somewhere in the budget, preferably under the Minister of Finance, which says, Grow More Food Campaign—\$1, because I do not think we need to fund it at the beginning—the Government device of a token allocation in order to establish the head; secondly, Buy Local Campaign—\$1, for the same reason; thirdly, I think we ought to remove the tax on savings—15 per cent. I cannot say where to get the funds that would generate at the moment but, of course, that is an issue. If it cannot be done, do not do it. We need to have a study, in the terms that I have just suggested, of each agricultural commodity, be it beef, rice, milk, pork, chicken, eggs, cassava, or sugar. We need to have those studies done. I do not think they are being done so I think we ought to put in our public sector investment policy, an item which says, Study of Agricultural Commodities, in these terms.

**2.30 p.m.**

This is one area in which I would say we should involve our local economists, but if we need people who are accustomed to making models for this sort of exercise, then we should go into other countries to get them. For example, there is a Food Policy Research Institute in the United States. I sit on a board with one of its directors and he tells me that one of their major activities is looking at the effect of trade liberalization on the agricultural sector. They have done umpteen papers in umpteen countries on this.

I think we can do it without too much expenditure. We can get help if we need it; if we do not need it, fine.

I think we ought to do the same for the manufacturing sector. Because what Lloyd Best is saying is that we say in general that we must promote the manufacturing sector. But which commodities? Perhaps the Government knows; I do not know. Do we leave this to the private sector initiative? I do not think so. I believe Government must take an interventionist stance in many instances. Now, I say this a little cautiously, because my friends on the other side may accuse me of being Marxist. I certainly am not Marxist; I believe in a mixed economy but I believe there are certain areas where you need Government intervention and I believe all of these countries, as indeed, is brought out in this UN document and in the document which Sen. Daly quoted yesterday, *Industrial Policy in Developing Countries*, which indicates that there was substantial government intervention in the early days in those countries which succeeded. We want to do it at the end.

I think we ought to increase the subvention to NGOs. For example, we should put back the amount to Servol and we should set aside additional funds to other NGOs. Sen. Daly has made one suggestion as to where you can find the money. I am going to suggest an alternative: If the Government says it cannot find any funds anywhere, then you will recall that I abstained when we voted ourselves an increase in salary. I was unhappy about it. I abstained because I honestly believe that Ministers should be paid more than they are now, but I also believe that it should not occur in this Parliament; it should occur in the next Parliament. I said that when it was proposed in the last Parliament. That sort of decision should be taken and, then of course, postponed for implementation to the next Parliament.

Let us forget the Ministers and the senior civil servants and so forth, let them have their increase. But if we were to forego the increase for every Member of the Senate and every Member of the House of Representatives, we would find our million dollars. So let the Government find the million dollars or say why we as Parliamentarians are not agreeing to that suggestion.

The final point I want to make, Mr. President, which I hope I can do in two minutes is that we ought to adopt Lloyd Best's suggestion of using the School Feeding Programme as a catalyst for the initial development of the agricultural sector. Mr. Best has made this point repeatedly and I think that he is absolutely right. So the other issue that I would address in the budget is a substantial increase in the allocation to the School Feeding Programme.

*Appropriation Bill (Budget)*  
[SEN. SPENCE]

*Thursday, December 3, 1992*

Mr. President, the hon. Minister of Finance, in one of his interviews on television, after the budget, referred to Franklin D. Roosevelt, in the context of a conservation corps which he is setting up to do conservation in the hills. What he did not tell us—and I suppose that he felt that most of us are not economists and perhaps would not know this—if he was really going to quote Roosevelt, he should have quoted Roosevelt and his New Deal.

It really amused me how both Clinton and Bush were trying to make themselves into little Trumans. I suppose our Minister of Finance is trying to make himself into a little Roosevelt. If he were a big Roosevelt, he would have adopted the stance of deficit budgeting if he is going to lead to a productive enterprise, because that is what Roosevelt did in his New Deal. *[Interruption]* It may be different, but I am suggesting that if we want to catalyze the development of the agricultural sector, we should adopt Lloyd Best's proposal for a substantial School Feeding Programme which will also address the nutrition of the population, the social safety net, the employment of people in the rural sector, so that there are a number of issues that we are addressing at the same time. But, Mr. President, I know, in advance, that this will either fall on deaf ears or there will be very good arguments why we will not do it.

So I am making a different call. I am calling on the non-governmental organizations to form themselves into a body, create a task force. I am calling on the churches and the other religious groups, on TTUTA, because they, in fact, meet every child in this country in schools from day to day and they know what the problems are with the nutrition of children at schools. I am calling on the non-governmental organizations, led by the religious bodies, supported by TTUTA and other NGOs, to develop a task force which will develop proposals to expand the School Feeding Programme and link it with the agricultural sector.

Mr. President, I hope that there will be some response, if not from the Government, at least from the non-governmental organizations.

**Sen. Dr. Kuarsingh:** With your permission, Mr. President, I did not want to disturb the Senator during his erudite address, but to come back to the very first matter that he raised, would he care to comment on the reason farms were not mechanized; for the small and fragmented holdings and the fact that there is no worldwide tradition of mechanized tropical agriculture?

**Sen. Spence:** Well, to answer the last question, I do not think it is true to say that there is no worldwide mechanization of agriculture. Certainly this is in the

case in the production of rice, in many areas, even close at hand in Guyana. Sugar is also now being mechanized in many countries. So certainly it is not the case that tropical agriculture is not mechanized.

To go back to the first part of your question, I think it is because the farmers did not have the initiative to make the change and that is the problem with the manufacturing sector. They may just not have had the initiative to make the change and what I am saying is you may say, all right, well, too bad for them. But unfortunately, it is also too bad for us. So somehow we have to dialogue with the manufacturers and say, "Look, what is the problem, can we not solve this problem? We do not want you to move your capital out of manufacturing the way the farmers did out of agriculture." We need to address it.

Now, what we have to do with farming is to recreate that farming sector. It disappeared when they moved their capital out and, as the Senator said, we were left with very efficient vegetable production—I am not downplaying that at all—but many other items have disappeared. So what we have to do—and it needs Government intervention—and I said it ad nauseam in the discussions about Caroni (1975) Limited. We need to have government land in substantial acreages, not just what the ADB said it is going to do or cutting up a large farm into five-acre lots; large enough acreages so you can mechanize where it is convenient to do so, so that you can expect to get a decent living out of it—as you would do if you were a lawyer or a doctor—and you can utilize at least some of your university and ECIAF graduates into production. That is what I think we ought to do.

Thank you, Mr. President.

**The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith):** Mr. President, as I start my contribution, may I put to rest a matter that seems to agitate the minds of many on the other Benches.

Mr. President, the Government has looked at the allocation for Servol. It is convinced that the work of Servol is very important and will take whatever steps are necessary to ensure that the work of Servol is continued at the level at which it is now existing.

Mr. President, in preparing a budget of this size—

**Sen. Daly:** Mr. President, it may be my particular background, but is the Minister saying that the amount that was removed from the budget will be restored? Is that what he is saying? he said, "Take steps", I am not very clear.

**Hon. L. Saith:** Mr. President, what I am saying is that the budget has been passed in the other place. The Government has the opportunity, in dealing with its budgets to re-allocate funds within ministries and steps will be taken to do that.

Mr. President, I am saying, in preparing a budget, especially a budget in which the demands for expenditure far outstrip revenue, we find ourselves in a position sometimes of having to make very late and last minute adjustments of allocations by technocrats in the Ministry. I am afraid that in looking at making some adjustments, the Government, in making those adjustments did not fully appreciate the impact of that particular budget cut.

I say this, Mr. President, because I felt that Sen. Diana Mahabir-Wyatt made a very strong case for us to look at it, again. This Government, as demonstrated in the 1992 Budget, has always been very sensitive to issues that have been raised and where a very strong case has been made. Therefore, I did not think it was quite necessary for the overkill that came after the very eloquent contribution of Sen. Mahabir-Wyatt.

Mr. President, I want to deal with the issues that come under my portfolio in the Office of the Prime Minister, specifically in tertiary education, and to give the Senate a little idea of what we have been able to do in the last 10 months. As you know, Mr. President, in the budget of 1992, we indicated that we would establish a Centre for Ethnic Studies at the University of the West Indies, which was to fulfil one of our manifesto pledges in the 1991 general election.

The centre has as its principal objective, the task of keeping race relations in Trinidad and Tobago under constant review and providing ongoing information and recommendations for improvement. We are convinced, Mr. President, that on this very emotive issue of race and ethnicity, one needs to have an impartial group of people look at the issues and determine what the facts are. It is only when you have determined the facts, that Government's policies can be influenced, if they need to be influenced in any way in making decisions.

The institute has been established. It has begun work on two projects. The two projects are employment practices in the public and private sectors and the identification of the biographic and demographic characteristics of the population of the secondary schools of Trinidad and Tobago.

The first study deals with the vexed question of whether there are, in fact, problems in the employment practices in the public and private sectors and the second has to do with the placement of students in schools.



We are looking at a number of projects to fund in 1993, all on the basis of dealing with questions where there may be perceptions in this society that there is discrimination, and to seek to get the facts. We are very pleased, as a Government that the establishment of this centre, which is the first of its kind in the region, is a clear demonstration of our commitment to promoting an atmosphere of racial and ethnic harmony in Trinidad and Tobago.

Mr. President, also during the course of the year, we dealt with the problem of the high fees for students at the Mount Hope Medical Complex. You will recall, that non-sponsored students at Mount Hope were being called to pay fees of approximately \$56,000 for attendance at the Mount Hope Medical Complex for studies in medicine, dentistry and veterinary science.

The Government took the decision and has implemented a programme where, for students in year three for 1992 and the years three and four for 1992/1993, they have agreed to pay half of those fees, so that students will now pay \$28,000 approximately and the Government will pay the rest. This was done in recognition of the fact that these students would have already paid in their first and second years the full fee.

For year one and year two students, the Government has agreed to pay \$10,000 towards those fees. As a result of the new fee structure which is to come into effect in the university from 1993 onwards, the fees at Mount Hope will then be brought in the same pattern as other fees. If the recommendation of the 15 per cent of economic cost is accepted by the university, then the fees at Mount Hope, from 1993 onwards will be 15 per cent of the economic cost. If that economic cost is \$60,000, it would be approximately \$9,000. We are very pleased, Mr. President, to advise that we have sought to deal with a very serious problem for students going to Mount Hope.

We have found ourselves in a situation where, because the funding provided to the university over the years was way below the approved budget of the university to which the Government had agreed that there are substantial amounts owing to the university. This matter has not been dealt with. Early in the year, a task force was appointed by Cabinet to sit with the university and work out the quantum of arrears.

At the end of, I think it is July 1991, the total agreed was approximately \$150 million. Funding below the approved budget has continued from 1991 to 1992 and a team from the ministry is working with the university to quantify the arrears for

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

1991/1992. I believe that it would be about \$40 million. So that by the end of 1992, there would be a \$200 million shortfall to the university.

The Government has committed itself to reducing this to zero by the year 2000, over the next seven years. The amount to be provided in any year will depend on the financial resources of the country in that particular year.

This at least removes one area of uncertainty about university financing, because until the Government had committed itself to accepting that there was a shortfall and that it would be committed to pay it, the university was really in limbo on this matter.

The Government has also guaranteed a loan of US \$23 million to the Inter-American Development Bank for the university to do some expansion at St. Augustine. I think they have to expand the faculties of engineering and natural science. They are to do some work in strengthening their research and development capacity and so forth.

As you are well aware, Mr. President, the university does not generate a surplus on its account. The guarantee is, in fact, the commitment by the Government to pay US \$23 million to the IADB over the period of the loan.

I think it was Sen. Hydar Ali who, in his contribution, raised some matters that I had dealt with in the Students Cess Act. While I agree with the contention that the cost of providing university students with an education is higher than providing education to a primary student or a secondary student, it does not change the fact that 14 per cent of the education budget is, in fact, being spent on 1.5 per cent of the student population.

In order to avoid a situation where, as of today, the Government finds itself having to find \$200 million to make up for a shortfall in contributions to the university, it is my view that the Government should not, in future, agree to a budget for the university which it knows it cannot meet. Therefore, the university cannot go merrily along spending money—where the university gets it from, I do not know—on the basis that the Government has agreed to give it \$100 million when, in fact, the Government knows that all it can give it is \$50 million.

To me, the better arrangement is to say to the university, up front, this is what the Government can contribute, given our commitment to tertiary education and to the other demands on the public purse. The university must then prepare its budget on the basis of that as one element of funding that it should work with.

There are other elements of funding: There is the fee that they are prepared to charge their students; the possibility of grant funds from agencies and the capacity of the university, if it puts its mind to it, to earn revenue. There is plant and equipment and very talented and highly experienced human resources there that should be able to go out and earn.

They must look at the way they sell their services, for instance, the present system is one which does not really make full use of the university facilities during the summer. If you go to a semester system, then there is the possibility of using it and getting more students through the system.

There is the possibility if you take the semester system to its logical conclusion and begin to charge per course, rather than per year, that you may get people who are not interested in doing a full degree, but may be prepared to come in and do a course or two and, therefore, revenue increases.

Mr. President, the intention here is not to deny the need for tertiary education, not to deny the university of funding, or to seek to tell the university what to do with its budget. The intention is, in fact, to put the university on notice as to what a realistic budget should be and where they need to top up their programmes. Where they need to have programmes that are extra to this base, they must then seek to get the funding for them.

That is the approach that the Government is taking now, as we look at the budget of the university for the next three years, 1993, 1994 and 1995. I honestly believe, Mr. President, that it is a superior approach to one that just says, "okay, you need \$100 million, we will agree, but we know that all we can give you is \$50 million and we are going to work up some kind of arrears system", because, in a sense, the university goes merrily along. I do not know how they are going to deal with their cash flow, if they continue with that system.

**Sen. W. Mark:** Before the hon. Minister moves on, can I seek a clarification? Could the hon. Minister clarify for us whether the rumour that has been circulating to the effect that the university would have to shut down some of its departments as well as abolish some of its programmes because of the shortfall, is, in fact, a reality or a truth?

Secondly, to what extent is the World Bank putting pressure on regional governments, including Trinidad and Tobago, for them to abolish tertiary education and to concentrate only on primary schools.

**Hon. L. Saith:** Mr. President, I cannot comment on rumours. I have not heard that rumour. But the university, when it approves its budget, will rationalize its operations. If you have a programme that is not required then I think it has to be out. If you need a programme to be beefed up then it should be done. I do not like to deal with rumours. There are enough rumours around this country.

As far as I know, the World Bank has not instructed this Government—I do not believe the World Bank instructs this Government on anything—or has raised with this Government the idea that there should not be tertiary education in Trinidad and Tobago. I really find it difficult to believe that anybody would restrict a country with respect to how it wants to deal with the education system.

This Government is committed to tertiary education, but it is also committed to ensuring that the university is not put in a position where it finds itself unable, when the end of the month comes, to meet its bills, simply because it is not prepared as a Government, to be quite up front and categorical, in the amount of money it is prepared to give to tertiary education.

This is not only with the University of the West Indies; this is a problem of universities worldwide. The Government can only fund so much of tertiary education. Universities, therefore, have sought to find additional funding to keep their programmes going if they believe those programmes are necessary. I cannot dictate to the university about a programme that they should or should not have. All I can say to the university is, given the resources of the country and the competing demands on the resources of the country, this is what the Government is prepared to make available to the university over the next three years.

**Sen. Spence:** Mr. President, I agree entirely with what the hon. Minister is saying. I would just ask this: For many years there has been talk of a manpower survey in the region. While you cannot say what the university should teach, I accept that, nevertheless, it really would be useful for the university if it had better data on which to make its decisions.

**Hon. L. Saith:** In going to Cabinet, Mr. President, with the recommendation to acknowledge the debt of \$150 million and to, in fact, pay it off over the next seven years, Cabinet also agreed that the Ministry of Planning and Development should undertake a study of the manpower needs of Trinidad and Tobago. The results of that study will inform how the programmes are to be supported by the Government of Trinidad and Tobago at the university. We are beginning to take steps to implement that decision of Cabinet.

You are quite right, in addition to saying what the funding should be, we need to do an analysis of what we think manpower requirements of the country would be over the next five years and then give that to the university as a basis. The recommendation was, in fact, not only to pay the money, but also to do this study, to inform how the programmes at the university should continue.

**3.00 p.m.**

Mr. President, in respect of science and technology, it was quite clear that we needed to have a national policy. In my view, that policy should not simply be developed by people in the Ministry or the Minister writing the policy. It is my Government's view that we should set up a group to do this and to try and make that group as representative of the interests that will be affected by a science and technology policy, and they should not be rushed, they should be given 12 months or so to do it. That is the approach which the Government is taking on the question of a national policy.

In the interim, however, Cabinet has agreed to a strategy for the next year while this is being developed. That strategy is basically going to be governed by the following:

- (a) That we must correct the glaring deficiencies and inappropriate use of funds within agencies now entrusted with activities of science and technology;
- (b) We must advance certain initiatives which we feel are important without prejudice to what a national policy on science and technology conducts;
- (c) We need to bring a greater sense of co-ordination to what is going on now;
- (d) We need to direct some focus on specific areas; for instance, agriculture, industry, marine resources, energy, health, environmental affairs, and so forth.

You will notice that agriculture was first on the list.

As part of that interim arrangement, some of the institutions which now undertake science and technology projects have been given a mandate for the next year.

NIHERST, for 1993, has been told to re-focus its attention on its research and development role, and, in particular, to deal with policy planning and

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

implementation mechanisms relating to science and technology; and to mark time on its teaching role pending the completion of the study by the Task Force on Education. It will also function as the advisor to the Minister on matters of science and technology.

In respect of CARIRI, we have asked them to prepare and operate separate costs centres for certain activities: working, testing and laboratory services in all given projects, clients requested projects, promotional activities, technical information function and managerial overheads. The intention here is to have them focus on cost centres in the institute.

We have also asked them to devise a management structure for formal and continuing co-operation with the Faculties of Engineering, Science and Agriculture for the undertaking of research and development projects. We need to ensure that there is a much closer co-operation and collaboration between the resources of CARIRI and the resources of the university to maximize the human resources we have at St. Augustine in some of these very important areas.

In respect of the IMA, we have asked them to develop a plan and to be the agency to co-ordinate all activities in respect of the marine environment and the marine resources of our country.

As far as Government ministries are concerned, Mr. President, we have decided that we should give consideration to the feasibility of establishing separate institutes within the Government ministries for conducting research and development activities in certain areas; for example, in agriculture and health. To ensure continuity and conclusion of research and development work undertaken by Government ministries, that the institute should be structured to facilitate full and proper development of individual careers within the institution and agencies. In the next year, that is how we are going to deal with the research and development activities that are now taking place in the ministry.

In respect of telecommunications, the Ministry has issued a licence to Carib Space Limited for the operation of a point-to-point satellite sound broadcasting system in the Caribbean. The intention of this company is to place a satellite over the Caribbean and to make radio communication available from that satellite directly to radios in the various Caribbean countries.

The Government continues to review the Telecommunications Act of 1991. We appointed a group to look at the Act. That group has reported and I am now in the process of looking at the recommendations of that group before taking the proposal to Cabinet on how to deal with the Telecommunications Authority.

There was a gap in the issuing of licences because the arrangement for issuing licences had stopped and the Telecommunications Authority has not been put into place. We have arranged, in the meantime, a system whereby licences can now be issued by the Minister, and that is dealing with the problem of people during this period operating without licence.

The Ministry has recently looked at the whole question of telecommunications and the telecommunications industry, and has come to the conclusion—and Cabinet has agreed—that we should develop a strategic plan for the telecommunications industry. The items which this group will look at include:

- (a) What should be the initiatives taken by the Government locally and regionally in the context of telecommunication;
- (b) What incentive we should have to encourage the private sector to participate in the telecommunications industry;
- (c) How as a country we can monitor what is going on in the industry as a whole;
- (d) A plan for training of the manpower which we would need to support such an industry in the future; and
- (e) A listing of the priorities for this industry.

We have appointed a group of people to look at this, because it is our belief that this is one area which, if we do it right, has great potential for future job creation and also for putting the infrastructure in place which would make Trinidad a desirable location for people in the information business.

**3.10 p.m.**

Mr. President, that briefly deals with what has happened in the Ministry. Let me just deal with a couple of issues raised during the debate. I must compliment the Senators on the contributions that they have made and the suggestions made in respect of various items of the budget. But I think there has to be an understanding of the reality in which the budget is cast.

I agree we should spend more money on rehabilitating roads, especially some of the roads that Sen. Mahadeo mentioned. I agree that we should spend more money on security because of its link to crime and its link with investment. I agree that we should spend more money on the social services. I also agree that we should not borrow, if we can help it.

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

But the reality, Mr. President, is that in 1993 we have a budget that, if you were to do all those things, would far exceed the revenue that you can make and, therefore, you come down in the end to judgement of priorities.

You must understand, Mr. President, that this country, even with expenditure of \$8.4 billion, spends 29 per cent of that on personal emoluments. So you start off by looking at your expenditure with \$2.5 billion already committed, just for salaries. You also face a debt servicing of \$2.5 billion, so without even looking at priorities, you are already committed to spend \$5 billion. You have revenues that amount to \$6.5 billion. If you want a development programme, where do you get it from? You have to buy goods and services now with this \$2.5 billion you are spending in salaries and wages, because if you do not have money for goods and services, when you are spending it, nothing. You have the requirement by state enterprises and statutory bodies for transfers; and in this budget, with all the cuts that have been made, you are still going to have to find \$715 million to transfer to state enterprises and statutory bodies. Then you have current transfers and subsidies of another \$1.2 billion.

You cannot continue to tax the population; or to build taxes upon taxes to make up the deficit and therefore, Mr. President, if we did not borrow the \$1.5 billion this year we would have no development programme. Even the little bit of roads to pave, we would not pave and you would not be able to buy any goods and services for the Ministry. So that, yes, we should try and reduce our dependence on borrowing; but you cannot do it overnight.

Secondly, Mr. President, when you are faced with 29 per cent of your expenditure on personal emoluments, you have a serious problem. Therefore, the general philosophy of the budget has been, okay, you have this, how can you fund it? You try to widen the net, instead of putting additional taxes on the people who are already paying taxes. That is why the 0.25 per cent on business revenue that can be written off, if they are already paying taxes. But if they are not paying taxes, they make a contribution. It is for this reason, Mr. President, that we are seeking to strengthen the collection of taxes—the people who owe taxes and are not paying. It is for this reason that we are seeking to close some of the loopholes which are there, and which people are taking advantage of. It is the reason for cutting subventions to public utilities and state enterprises, to begin to force them to look at the way they operate and become efficient.



You cannot continue to transfer large sums of money, got from taxing people of the country, to agencies which are not looking at how they operate and whether they are operating effectively, or not. We all have our own ideas about how some of these utilities operate. So that the budget is a mixture of widening the tax net; of trying to collect what is due from people who have to pay and are not paying; and of making the Government and its agencies more efficient.

I do not necessarily agree that cutting subventions or reducing allocations for ministries, per se, means that service has to deteriorate. What it means is that we have to look carefully at the way we are spending. That is the message we want to send out. I do not know how many people know how government works, but I am convinced—cost of telephones, cost of electricity and buildings—that the people in government must begin to look at how they spend the money. What we are seeking to do, Mr. President, is to try and make the Government more efficient, and it all ties in to public service reform—part of public service reform.

So, Mr. President, when one says that the budget is a mixture of hope and expectations, we have to begin to hope that we can do these things. Because if we do not, we will continue to borrow to the hilt. The time has come to begin to put in place incentives that make us want to be efficient.

Let us talk about the price of oil. Should it be \$21? Well it is a budget, it is an estimate, based on our best analysis of what prices are likely to be. But none of us controls the price. I remember in January 1992 we were not sure whether \$19 was the right price. There were people who expressed a lot of concern that it would have been lower. There was talk of whether we should hedge to pay this money. I do not know of any way that you could come up with a figure that you could say you are not going to get that, or you are going to get it. It is based on our best estimate—it is an estimate, as all these things are. What we hope is that our budgeting process is becoming more and more one, where the variances on estimates will become less and less. But they are estimates. It is the same in the private sector. You estimate what your sales are going to be for the year and you strive to achieve it, but you may not; or you may overshoot.

If I could go to some specific matters raised, I think it was Sen. Hosein who raised the question of whether we should not have a group dealing specifically with trying to attract business in the non-oil sector. I want to tell him that such a group has, in fact, been set up. It is headed by somebody from the private sector—not my friend. I agree that you need to get a group together, charged with the

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

responsibility of attracting investment in the non-oil sector: the manufacturing and agricultural sectors, headed by somebody who understands how businessmen operate and what they are looking for and what they are not looking for.

**3.20 p.m.**

It was Sen. Hydar Ali who raised the question of money being spent at Piarco and whether a feasibility study was done. I noted that when he came to Couva, he asked why we were doing a feasibility study for the hospital. I want to tell him that we are doing a feasibility study for the Couva Hospital because of exactly that point. You need now, before you make investment decisions, especially large capital investment decisions, to see whether the investment is justified.

With respect to Piarco, I think it is the most studied airport in the world. I remember in the 1970s working on a study myself. I think a group of people from the university did a study. Because of the way one is going with the Piarco development, which is seeking to have private sector financing, without Government guarantees—the Government is not going to guarantee the financing. I can assure you that whereas the Government may put money into a project without being quite sure of the way it is going to be paid back, a good private sector, especially with bankers, will make sure that they do a feasibility study. You are in a chicken and egg situation. Sure, you are not seeing planes landing, but they are probably not landing because the airport is not conducive to that—you are in that chicken and egg situation, as you are with most developmental projects.

That does not mean that a feasibility study cannot be wrong. If that were so, businesses will not fail. Businesses fail. You go to the bank and you do a lovely feasibility study, and at the time it looks good and they pay. But, no, we are not proceeding with Piarco just out of the air.

I agree with Sen. Daly as regards the social programmes. We have tried to put some more money in social programmes this year than we did last year. We are very conscious of the fact that the success of any growth of the economy is related to social programmes. I can assure him that we are looking at it. The Ministries involved have now been brought under a co-ordinating group, headed by the Prime Minister, to develop programmes. We have sought, in the Ministry of Planning, to look for funds for them. We are hoping to get \$51 million in funds from the EEC for programmes in that area. So we are looking at it.

The question of industrial policy, export-led growth, manufacturing, Korea and these countries did provide subsidies. But, you know, we have been providing subsidies to the manufacturing industry. The difference is that we are not charging market rates for our power and our water and, therefore, we have just been subsidizing them all the time. We have nurtured these industries; we have protected them. The problem, really, is that we did too much of it. Therefore, what we did was to over-protect them and it did not enable them to get strong; we protected them to the point where the investments that were made, were made to satisfy a highly protected market and, therefore, were not investments geared to be competitive.

Some of the industries that were established, for instance, went and bought second-hand plants. They bought plants where the technology had moved forward, and, therefore, the plants were available cheap. However, they can produce at a unit cost which could only survive in a highly protected market. Therefore, no matter how long you give them, the day you say, compete, the plant itself is unable to do so. We also encouraged industries that cannot export; the motor assembly industry which can only exist in a highly protected market. We do not save any foreign exchange by having an assembly plant. I believe the cost of a CKD unit, in terms of foreign exchange is virtually the same as a fully built-up unit. The industry employed a number of people in the boom years, but when the market dropped out, the people were sent home. It is just not an industry that can compete. All that you did for those years, has placed a heavy burden on the consumer, to pay for an industry that really had no right to be here in the first place.

This is really the crunch that we have come to. Do we continue—even if we had the money to do it, and you do not have it—to have a manufacturing sector that, by and large, can only survive, protected with high subsidies, but without any hope of ever being weaned away from subsidies? There are industries that came in, which are not that way. Those industries, especially during the 1981 to 1986 period, when the Government gave substantial tax reliefs for capital investment, in fact, brought in high technology equipment, used that tax incentive to make themselves very competitive, and they can survive and they will survive. If you make a good product, you will survive. Carib does not have to be protected to sell Carib beer, even against imports. Bermudez—the biscuit industry in this country—has never been protected from the import of biscuits, and has survived and is exporting.

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

There are a number of things that are being made here—rum. The idea is to begin to move into those areas. Sen. Spence, we talked to the manufacturers, but understand, there are interests there that will never agree. It is not that the playing field is not level. It is being changed now to a level playing field. The question of the playing field not being level, does not only apply to everyone. We have had a playing field here that has protected manufacturers and we can no longer afford it.

There is no doubt in my mind that some industries will have to go because they cannot compete, and I do not think it is right for the country, or the consumer, to continue to subsidize them. I also know that a fair amount will survive. I know that a new breed of businessmen, a new set of entrepreneurs will come into the market, because we still have many advantages in this country. Even with the increase in rates, we still have relatively low energy costs, we have a highly trained population. If we can motivate them to be productive and if business people could do that, we have a competitive edge.

We talk about savings and we must increase our savings. Yes, we must increase our savings, but that is not going to solve our problem. If you save money and put it into businesses that cannot compete and are not productive, you get nowhere. It is saving the money and understanding that in addition to saving the money, it must now be channelled into productive enterprises. We, as a people, in addition to saving, must raise the level of our productivity. We must begin to produce more. This is the challenge which really faces us, as a people, to be able to do that.

I want to assure Sen. Mahadeo that one of the things that I looked very closely at when I went into the Ministry of Planning and Development was the operation of the Town and Country Planning Department. I am pleased to say that by the middle of this year we had over 3,000 applications, and they had reached the stage where about 85 per cent of them had been dealt with in three months.

That is not good enough for me. We must get to the point where, roughly 95 per cent of our applications are dealt with within that three month period. There are always applications where, we would need to look at them closely. The remaining applications have been set specific targets. By and large, you will continue to get only the person who has a problem coming to you. I understand that. I get the letters every day. But I also look at the number of applications that are coming in, and how many are being dealt with.

**3.30 p.m.**

If we could get to the point, which I have set, ensuring that at least 95 per cent of all applications are dealt with within a three-month period, I think we would move very fast towards a satisfactory arrangement.

Sen. Spence on structural adjustment. I want to tell Sen. Spence that we are not rushing into structural adjustment blindly. In fact, the conditionalities of the World Bank structural adjustment loan come to an end in December of this year. We continue during the course of the year to discuss with the World Bank, the IADB, issues which we felt needed to be discussed. We were able to re-negotiate the conditionalities in respect of the energy sector loan, to something we felt was more appropriate. We continued to do so with the World Bank. In fact, I am due to go to Washington next week to complete negotiations in respect of the second tranche of that negotiation. We take being efficient in what we are doing as a compliment.

The country has to adjust and we need to be quite clear as to where the problem is. I could tell you about the negotiations with the Inter-American Development Bank on the agricultural sector. I have said to them on behalf of the Government, we are prepared to go with anything that GATT agrees to, but we are not going to agree to anything that GATT is not going to agree to. We are not prepared to do something which the other countries are not prepared to do. That is my view. We, like you, believe in a mixed economy but we are not Marxist. I can read the manifesto for you. You read everything that you want to read but you do not read that. We believe in a mixed economy, but we are not wedded to ideology. We are very pragmatic in our approach—the only pragmatism that exists on that side is the divergence in views.

The Government is conscious of the traps and pitfalls that lie ahead of us. But because they lie ahead of us, we cannot postpone what we have to do. The easiest thing would be to go back into the cocoon in which we existed, and find ourselves not being able even to keep that cocoon. We were able to do it because we had an oil windfall and had the money to do it. We borrowed money to do it. We no longer have those options available to us. I do not think that in the long term the country will benefit by going back into that arrangement. We need the goodwill of the country.

The point raised by Sen. Diana Mahabir-Wyatt about the industrial relations is very important. We need to explain to our people and, to the social partners why

*Appropriation Bill (Budget)*  
[HON. L. SAITH]

*Thursday, December 3, 1992*

we have to do it, and hope that we can convince them. Whatever we do, will impinge on sectional interest. Unless people are prepared to look beyond the sectional interest as to the wider interest there will always be conflict and difficulties. We need to make our people and the social partners understand that the task that faces us is not an easy one, and that, at some point in time, narrow sectional interest, whether it is the manufacturers, business community, trade unions, whoever they are, whether it is the Government, national sectional interest will have to be subordinated to the national interest, if the country is, in fact, to get out of these difficult times, to get out in a manner that we will not only see stabilization, but also we will see sustainable growth.

I thank you, Sir.

**Sen. Salisha Baksh:** Mr. President, as we all know, the budget might be called the house-keeping account of the central government. It constitutes the plans of the Government of the day for expenditure and revenue for the year ahead. It is the duty of those in charge to ensure that the house remains in a habitable state. In the process of this house-keeping there must be no make-shift attempts to pretend that the house is in order.

Important issues which plague our nation must not be swept under the carpet, drapes must not be drawn to hide the view of the bleak outside and concrete proposals which contain feasible solutions should not be flushed down the drain pipes. This is the type of house-keeping to which the present regime is accustomed and it is under these unhealthy conditions that we have been forced to live.

Mr. President, our economy is built on rotting floor boards which have been repeatedly coated with myopic strategies and weak economic policies. This constant lacquer, Sir, has provided us with a fine veneer that masks the slow demise of our dwindling economy. We must not allow our housekeepers to destroy our only home. If we accept this piecemeal budget presented to us by those unskilled servants of the state, then we are partaking in their concoction which is a recipe for disaster.

**3.40 p.m.**

We have been told that the theme for this year's budget is the passage from stabilization to growth, but perhaps, it would have been less illusionary and more realistic, if it were called, voyage through the doldrums. For what evidence do we

have to justify the Minister's assumption that we have achieved a state of stabilization?

I shudder to think, that he based his premise on the small current account surplus achieved in the external account; the improvement in reserves; the underlying inflation rate which he claims is only three per cent; the ability to meet our external debt obligations and our successful return to the international capital market. I admit that these achievements ought to be recognized, but their glory is undoubtedly tainted by the blatant economic chaos which continues to wreck havoc in our nation.

How can the hon. Minister feel comfortable and pleased with his performance in 1992, when the evidence shows:

- (1) That our fiscal deficit overshot the target;
- (2) There was minimal economic growth of 0.2 per cent;
- (3) Dampened investment;
- (4) A rise in unemployment which now stands at approximately 20.2 per cent?

Despite these attestations of a mismanaged economy, the Minister felt honoured to have once more the responsibility for accounting to the national community, and unbelievably had no shame as he publicly insulted the intelligence of the entire population.

As I listened to the hon. Minister, on that fateful Friday November 20, 1993, I concluded that this was yet another display of the PNM's arrogance, hypocrisy and inability to manage the affairs of our country. On page 1 of his budget speech, the hon. Minister made specific reference to the frustrating experience in his party's effort to gain legislative approval for the change in the fiscal year.

He pointed fingers at certain Members of the other place whom he held responsible for the failure to pass this said bill. Having made the accusation, it is incumbent upon me, as a Member of this honourable House to set the record straight, once and for all. Their failure on August 28, 1992 to obtain the two-thirds majority required to pass the said bill, was due solely to the Government's arrogance and incompetence.

On that day they failed miserably when tested in lessons in the art of diplomacy and the virtue of compromise. Their lack of humility, downright

*Appropriation Bill (Budget)*  
[SEN. BAKSH]

*Thursday, December 3, 1992*

disrespect for the important role played by the Opposition in our Westminster system of Government and their refusal to accommodate the Opposition's proposals for greater accountability, clearly demonstrated the present regime's intention to operate as a dictatorship, rather than a democracy.

**Mr. President:** I am sure that your colleagues in the other place, notwithstanding your brilliance in oratory, are quite capable of replying to the Minister with any accusations that he may have made in that place.

I try to ask Members here, to avoid using this forum to reply to any matter that is debated in another forum. I have allowed you a little leeway, a little more than I probably should have, but I think that you have said enough. You can move on to something else.

**Sen. Baksh:** Mr. president, I take your guidance. I would just like to ask one question. Is there an inherent fear, that the Government's slipshod manner of managing the economy would be discovered? That is all I want to ask. There is a saying that it is only when one has skeletons in the closet, that one is afraid to open the door. Perhaps, this explains the reason for our economy having more than just one foot in the grave.

The hon. Minister spent a substantial part of his presentation concentrating on the impact of the contracting international market on our local economy. But alas, one would think that these global trends surfaced overnight, or out of the blues. Over the last two years, and whenever relevant, for debate on particular bills, the Opposition ensured that these trading patterns were always highlighted. We went to the extent of analyzing the potential damage that could be incurred by the formation of trading blocs to which we did not belong.

We even stated on many occasions, too numerous to mention, which are all recorded in *Hansard*, that our commitment to national economic growth and development and also Caricom must be materialized rapidly, if we are to survive in the universal ocean to which we belong. Our pleas fell on deaf ears. So, on budget day, when the hon. Minister gave a thorough analysis in his lecture on global economic policies and their impact, we in the Opposition, said to ourselves, "we told you so."

The PNM's lack of foresight, ingenuity, vision and dynamism will nail our economy to the cross, and unless there is some miraculous turn of events, there will be no resurrection of the economy.



On page 12 of his budget speech, the hon. Minister stated:

"The fact that we have been able to meet our external obligations fully and on time is clearly cause for some satisfaction."

But what price did our citizens have to pay to meet this obligation? Was it mainly the consumer's capacity to restrain consumption, particularly of imports, as the hon. Minister would have us believe, or was it really that the cost involved a lowering of our standard of living; higher taxation and widespread unemployment?

Our citizens are constantly expected and reminded to tighten their belts, but after adjusting our buckles for so long, we can no longer bear the squeeze. It is time for the Government to tailor our resources and reserves to suit not only our external commitments, but also our internal obligations.

No mention whatsoever was made of the outstanding arrears owed to public servants and Caroni workers. What message is the hon. Minister giving by this omission? Is he suggesting that foreign loans rank higher in priority, or are more legally binding than national debts? This double standard approach to nation building will result in the breakdown of all moral consciousness in our society.

**3.50 p.m.**

Mr. President, the present regime has acknowledged, on page 17 of the budget speech, that there are vulnerable segments of our society which require a special duty of care. When the hon. Minister highlights these certain segments as the aged, the unemployed and the otherwise disadvantaged, he is in fact including the entire population. His party continues to breach their duty of care to all citizens and this Government's selfish action is a blatant disregard for their obligations under the social contract of the state.

The hon. Minister expects us to believe that he cares about the aged, because he made no complaints about the \$7 million increase in expenditure in 1992 to facilitate the increase in old age pensions and social welfare payments. An increase in the budgeted \$90 million to \$120.3 million to the LID Programme is the evidence used to show that his party is committed to the fight to reduce unemployment. After examining this paltry evidence, we can only conclude that the PNM has not achieved the required standard of proof to support its claims. Therefore, on page 18 of the budget speech, when the Minister once again mentions that our economy has achieved stability and is now driving onward for

*Appropriation Bill (Budget)*  
[SEN. BAKSH]

*Thursday, December 3, 1992*

growth, I wonder if he is aware that he is, in fact, suffering from an insane delusion.

On page 23 of the budget speech, the hon. Minister makes reference to the *Medium Term Policy Framework*, which outlines a range of policies for the amelioration of social conditions. Among other things, we are assured that there will be a renewed focus on primary education and primary health care. However, these assurances are not enough, because our history is replete with instances in which mere lip service has been paid towards the improvement of our education and health care systems. In fact, it is the Government's inactivity and lack of proper management, control, foresight and commitment that has resulted in the unacceptable, deplorable state of all, and especially these two ministries—the Ministries of Health and Education.

The hon. Minister seems to be familiar with global and national economic trends, but he obviously has little knowledge of the social problems in his own backyard. Every year substantial sums of money are allocated to the Ministries of Education and Health and up to this day disaster abounds. My heart still saddens each time I think about the incidents at the St. Ann's Hospital, in which patients under the care of the state met their deaths due to food poisoning. After long hours of intensive investigations, one fact remains clear, nobody is willing to accept responsibility for the loss of lives, but the death of patients at the St. Ann's Hospital is a culmination of years of institutional neglect by this Government. For many years the conditions at the St. Ann's Hospital have been one of the blackest marks of the health care sector. From time immemorial health ministers have treated this institution as the hottest potato in an already boiling portfolio.

What we have seen in the past is that there has been millions invested in various Government projects without commensurate benefits accruing to the people of this country, and Mount Hope Medical Complex is a case in point. At this institution, the radiology, paediatrics and dental services, as well as the maternity unit, are all running far below capacity and the same-day surgery facility is under-utilized.

At the Port of Spain General Hospital, operations are not being performed due to an insufficiency of trained nurses. Of course, there are other problems as well, but yet we have a number of operating theatres with the most modern equipment, staffed, we understand, by fully qualified, experienced nurses, being under-utilized.

People who can afford to pay for health care services are, by all other means, doing so, but the rest, who cannot afford to pay, suffer, if not from the unavailability of services, the consequences of the bad administration of the health services. When are the numerous problems at the Port of Spain General Hospital going to be remedied? What management devices would be introduced by this Government to prevent the wholesale pilferage of equipment, supplies and drugs, which goes on at the country's hospitals and other health institutions?

**4.00 p.m.**

Why is there a backlog of over 1,600 cataract cases awaiting surgery at one of our hospitals? Surely, it cannot be that we do not have the doctors for the job. Nor could it be for want of equipment, since an entire programme was carried out at the two operating theatres at the San Fernando General Hospital to perform 120 operations in four days without any additional instruments and only one doctor and five nurses sent by the Canadian Surgical Eye Expedition, that is CANSEE, to assist. So why is the hospital only performing one or two operations a day when we are capable of performing 30 operations a day?

The Minister stated that in the absence of this project of the Lion's Club of San Fernando, some of these patients would have had to wait for two years or more or have their operations done at private institutions.

Mr. President, in the Port of Spain General Hospital, patients with problems such as hernia repair, gall-stones and other such problems, which would entail elective surgery, remain for months and in some cases as much as a year and a half on a waiting list, after which time, they are advised to go to a private clinic. To have an ultrasound done, you can wait as much as three months.

This all brings to mind a boggling thought—I hope to God I am wrong. Are hospital doctors and specialists refusing to perform operations—some of which, like mature cataracts, prostate and fibroids which may be urgently needed at public hospitals—so that these patients may be referred to private nursing homes to which these nursing homes may be connected?

Mr. President, do you know that the incidence of what is commonly known as diabetes affects more than 50,000 persons in Trinidad and Tobago? Do you know that this country has the highest death rate from diabetes for men and women from 45 years upwards in the Americas? Within the same age group, 45 years and up, women in Trinidad and Tobago have been found to have the highest rate when compared with the rest of the region.

*Appropriation Bill (Budget)*  
[SEN. BAKSH]

*Thursday, December 3, 1992*

Diabetes ranks fifth amongst the causes of death in Trinidad and Tobago. This disease affects almost 28 per cent of all Indian male members of the population over the age of 40 years, women of both Indian and African decent have a prevalence of almost 19 per cent from 35 years to 40 years. Men of African decent show an eight to nine per cent incidence. It is reported that only 20,000 to 25,000 have any form of regular treatment or get monitored.

Mr. President, the best way to comment on this situation is to quote Rolfe Richards, Professor of Medicine, UWI, and I quote:

"It can be seen, therefore, that like the infectious diseases of yesteryear, chronic diseases such as diabetes mellitus, which now affects a significant percentage of our working and productive population, at what should be the peak of their productivity, is producing a severe handicap on our educational and economic output to the detriment of the peoples of Trinidad and Tobago as a whole."

He continues:

"It is, therefore, shortsighted, selfish and self-defeating if those of us lucky enough not to be afflicted with one of the chronic diseases, sit back on our laurels, glibly saying it is not my..."

and I would like to put in here "or Government's" "...business."

Mr. President, the fact that there has been no significant improvement in the Ministry of Health over the years and because the Government is content to adopt the quick-fix method of putting a plaster over a sore which remains infected, leads one to the sad but only conclusion that, once again, the Ministry of Health will be left by the wayside.

Mr. President, what about our system of education? The hon. Minister intends to focus his attention on primary education, but all levels of education need to be addressed immediately. Many junior secondary school students cannot read and write properly. Many students in comprehensive schools do not pass the conventional exams due to poor preparation or readiness.

Recently, Mr. President, the principal of the San Fernando Senior Comprehensive School disclosed that a study of course marks, of some 73 junior secondary school students enrolled, 35 of them had a percentage of less than 29.

He further said that based on such a performance, the question arises whether these students can be prepared to write the CXC exams in five terms. Thus, finding

work to be very difficult to cope with, many of these students turn to violence. It is no secret that more than 50 per cent of students assigned to senior secondary schools are not prepared for secondary education. They have been placed in secondary schools because a certain number of places exist at a point in time. Mr. President, no child must be allowed to pass through the school system of Trinidad and Tobago without learning to at least count, read and write, even if it means keeping the child back and making special classes available to him or her.

Mr. President, what really happens in this country after leaving school? First they have all their O'level passes, so they decide, "okay, it is time to contribute to the home income," and they start looking for a job. But then they realize that the Government did not cater for them in the labour market, so they decide to do their A'levels and, of course, at this stage, Mr. President, they have not got the slightest clue what they want to do as a career as our education system does not incorporate things like career guidance or provision for official school counsellors.

We have annual workshops provided by two or three firms and, while this is of some assistance, I am sure, it cannot fill the void that exists. So they are at this A'level stage but then, again, after A'levels, their certificate guarantees nothing, despite seven years of studying. So they decide it is time for a university degree and, mind you, Mr. President, what is unfortunate here is even at this stage, some of them are not aware of their choices due to the absence of proper career guidance at schools in Trinidad and Tobago.

Do you know, Sir, at least 35 out of 50 students recently indicated—these are students who have completed two years of their three-year course, they admitted that they were attending university because there is nothing else to do. So the importance of career guidance counsellors at all schools cannot be over-emphasized. It is necessary for our society, for the frustrated youths, for the dissatisfied working populace and the confused individual.

Mr. President, we have had voluminous rhetoric that speaks of the importance of education from many Ministers, including the present, but this has sunk almost to the bottom of the agenda of priorities.

Take, for instance, the case of the University of the West Indies. It is unbelievable that that institution should be experiencing such crippling financial woes at a time when it should be strengthening and expanding its services to meet the challenges that lie ahead.

*Appropriation Bill (Budget)*  
[SEN. BAKSH]

*Thursday, December 3, 1992*

The university, I believe, has exceeded its overdraft limits with several commercial banks and, as a result, raising funds from private sources, according to our information, has proven to be unsuccessful. So if the Government does not fulfil its promise, as disclosed previously by the Minister of Planning, what is likely to happen at the university is that there is not going to be any new staff, no new teaching and research programmes, no new equipment and so finally it will end up downsizing its operations. The repercussions of this, as mentioned elsewhere, is to throw away the key to the prison of under-development.

Mr. President, my advice to the hon. Minister is that education begins at home and he and his colleagues are best advised to spend some of their precious time informing themselves about the present frightening trends in our system of education which, if not corrected immediately, will result in untold disaster.

Now, Mr. President, before I continue, I should also indicate to the Government, following up on Prof. Spence's remarks, that the United National Congress is committed to serious agricultural reform. We see agriculture, as outlined by Sen. Spence, as playing a very pivotal role in the developmental process and we are saddened, again, that we have voluminous rhetoric or lip-service paid to yet another vital ministry.

Mr. President, permit me to make the following observations and suggestions with respect to the 1993 Budget Speech. I invite my learned friends on the other side to pay close attention to the issues raised so that when the time to account for their activities arises, they will not be able to rely on their ignorance as an excuse.

Firstly, Mr. President, there appears to be a belief that appropriating funds to a particular ministry indicates that the Government is interested in the welfare of that Ministry. Also, we are expected to be content that mere mention of a particular ministry in a speech or the fact that such ministry is the subject of a voluminous report on policy reform means that the Government has fulfilled its duty to provide the particular service. While I acknowledge that money is needed to upgrade the present standard of various ministries, if this resource is not properly invested, allocated and managed within the particular ministry, then there will be no evidence of improved conditions. Thus, Sir, repairing present structures and building more schools will not eradicate problems such as illiteracy among students and inadequate counselling facilities and so forth.

Further, Mr. President, when the present Minister of Health feels very proud of the tremendous amount of work achieved during the past year on the

refurbishing of the Port of Spain General Hospital, he is not addressing, for example, the current state of delayed operations where, in some cases, patients are on the waiting-list for over two years. He is not addressing the three-month waiting period for an ultrasound or the pilferage of equipment, supplies or drugs.

Mr. President, it is not sufficient to say that the Ministry of Health will now enjoy an increased budget of \$61.3 million, instead of \$15.6 million because the money has to be properly appropriated within the ministry itself in order to combat the present problems and upgrade the deplorable conditions.

Secondly, Mr. President, on page 34 of the budget speech, we were introduced to a new addition to our family, a recently appointed firm of lobbyists to represent our interests in the United States of America and to provide relevant commercial intelligence to assist our businessmen in penetrating the markets abroad. However, this new family member will be paid a fee of over US \$400,000 for the services provided. I wonder what, how and when the idea or need for lobbyists was conceived and who is monitoring their activities to ensure that we are getting our money's worth and, further, why have we employed the services of lobbyists at such a price when foreign reserves are so limited? I only hope that our economic ambassadors do not have included in their mission, the job of marketing and promoting the Government of the day, because, if so, the entire population will be financing a campaign for a below standard product.

I would have thought that the money would have been better spent here at home cleaning up our mess and putting our house in order so that the improved state of affairs would be advertisement in itself to attract foreign investors. I fear, Mr. President, that even if our diligent dignitaries performed their duties, our country will not be in a presentable condition to welcome our visiting investors and, thus, we would be guilty of misrepresentation and false advertisement.

Thirdly, Mr. President, there are alarming statistics which reveal that the rate of suicide is on the rise and many of those who have chosen to end their lives were victims of unemployment or stress due to prevailing social conditions.

Mr. President, a budget is not merely the presentation of figures or the renewal of broken promises or the defence of blatant mismanagement. It must be sensitive to the social welfare of our citizens. Our gloomy economic condition must not be the stimulus for loss of life. The Government must be prepared to accept the challenge of giving hope to the people that we will eventually, through strong economic policies, enjoy the benefits of a stable and growing economy. The 1993

*Appropriation Bill (Budget)*  
[SEN. BAKSH]

*Thursday, December 3, 1992*

Budget stated that we have achieved stabilization but the facts show otherwise. It is now incumbent upon the ruling regime to restore some measure of confidence to the nation so that we are assured of at least economic security.

Fourthly, Mr. President, the issue of unemployment is a major concern to the Opposition and our fears are rising as steadily as the rate of unemployment itself. Yes, we admit that there have been many symposia on the matter and, yes, we know that the hon. Minister has stated that some of the suggestions to combat the problem are presently being implemented. But, unfortunately, unemployment is on the rise. No relief to this problem will be gained by the understandably continued emphasis on the energy sector as the foundation of our economy. Because as we are all aware, the petroleum sector is labour intensive.

Finally, Mr. President, another grave concern is the fact that the 1993 Budget has placed great reliance on improved efficiency in tax collection. When President Lee Kwan Yue visited our country many years ago, he was appalled by our poor work ethic, despite our rich natural resources. So on return to his homeland, he warned his people that they should never develop a carnival-like mentality. This resulted in feelings of outrage and disgust here at home. *[Interruption]* You do not even know that the man visited the country. We often criticize this leader for his ruling dictatorship. Perhaps if some attention was paid to his words of wisdom then we would not, in 1992, be trying to change a work attitude which has made us internationally infamous.

Without being termed "pessimistic", I think that this venture is equally demanding and challenging as stabilizing our economy. We must always remember that leaders must set the example so that before attempting to improve efficiency in the work-force, the hon. Minister should display greater efficiency himself when he presents the next budget, whenever that may be.

Mr. President, after a thorough analysis of the 1993 Budget and its applicability to the challenges of an increasingly depressed society, no marks of commendation can be awarded to the hon. Minister. The Government has displayed no comprehensive policy for economic reform and our economy continues to be driven in reverse gear. There will be little or no economic growth for the next year and citizens are best warned to prepare for the oncoming disaster.

Take heed: We, in the Opposition, are always prepared to offer relief. Thank you.



**Mr. President:** The sitting is now suspended for half an hour. We will resume at five minutes to five promptly. The Minister of Community Development, Culture and Women's Affairs will address the Senate then, followed by Sen. Daniel Teelucksingh.

**4.25 p.m.:** *Sitting suspended.*

**4.55 p.m.:** *Sitting resumed.*

**The Minister of Community Development, Culture and Women's Affairs (Sen. The Hon. Joan Yuille-Williams):** Mr. President, let me thank you for this opportunity to make my presentation to the Senate and, at the same time, congratulate hon. Ministers Mottley and Valley for the work they did on a budget which I see as one that gives us all hope.

Concerns have been expressed in this Senate during the debate as to some of the measures this Government intends to adopt to cushion the effects of the structural adjustment. Concerns were raised about the social support systems in place especially as they affect the vulnerable groups in our society.

In my presentation today, I will attempt to show how the Ministry of Community Development, Culture and Women's Affairs, as a part of the social sector ministry, is responding.

The *Medium Term Policy Framework* sets the context for economic and social policy until 1995. Within that context, there are several areas targeted for implementation by the social sector ministry. The Government has undertaken—through its social sectors ministry, and with other ministries—to empower communities to generate employment, to improve the standard of living, to protect its environment, and to foster gender equity.

I propose to show how these objectives have been addressed by the ministry, for which I am responsible, in 1992 and to outline measures to be adopted or intensified in 1993.

During 1992, several initiatives were undertaken by the Ministry of Community Development, Culture and Women's Affairs, and with special reference to the Community Development Division. We were engaged with communities in identifying and working on projects designed for the development of these communities. So far, 12 regional consultations were held and communities identified projects ranging from sensitization sessions on social issues to physical infrastructural projects intended primarily to raise or to improve their standard of living.

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

*Thursday, December 3, 1992*

As a result of the needs identified in these consultations and with further intensive work with the village councils and community councils, a further 30 seminar sessions were held on 25 issues involving over 1,000 participants. The need for leadership training was also identified and they were met through about 477 groups participating in several such programmes. These consultations with the village and community groups revealed that the village council movement is willing to assume responsibility for core tasks as outlined in our 1991 local government manifesto.

However, as the hon. Senators know, over the last five years many of these village and community councils were forced into decline. Our commitment as a Government is to continue to resuscitate the village councils. The division intends to do so by ensuring that their level of responsibility is increased and by providing the training to the appropriate individuals and groups at the community level so that they can perform effectively. This Government will work through the village councils and the community groups. It will also encourage the formation of new councils in areas where they are non-existent. We need to have a proper net working so that we can take our programmes to all our citizens especially those in the rural areas. The focus on community development is being changed to respond more effectively to the needs of the society.

From our consultation, which in reality was a needs assessment exercise with communities, we have identified five categories of programmes which will be conducted during 1993 under the rubric of community education.

The first is education on economic issues. If we want our citizens to cooperate they need to understand the economic issues of the day. We need their support. Our citizens must learn to cope, must be willing to make the necessary adjustment. They must be prepared to deal with issues. At the moment, our community development officers are being trained to deliver programmes so that they will be in a better position to do so, or they may be in a position to source the necessary personnel.

Some of the issues which we will be taking to the citizens will deal with international funding agencies—for example, a large number of people have been hearing about international funding agencies; what they mean, we need to let them know—the implications of trade reform; consumer awareness; and the need to buy local. The ministry in itself will try to mount this campaign across the country. These are some of the examples. The series is ongoing, and I am pleased to report

that the division has now acquired new audio visual equipment which they will be able to use in their visual presentations as well as through lecture discussion. At the same time—and I have heard it said repeatedly during this debate—we are also going to use the services of NGOs which can assist in delivering some of these lectures.

The second need we found was that of employment generation. Part of the programme will be related to employment generation. The employment for the projects will be provided by the unemployed residents. In this case, they will be provided with the facility for earning and developing a community spirit. Over 100 projects have been already identified. What is important here is that not only the facility will be provided but, at the same time, we are going to give the necessary support so that at the end of it all we will have a closer knit community. This programme will be funded partly by the EEC and partly by a “CARE” vote of the Ministry. Our Government has given us, as you will see from the estimates, \$5 million under the CARE programme. This will be used to assist the communities.

**5.05 p.m.**

Then we have, what is known as, our Social Support System. This programme will treat with a number of issues which impact on the quality of life and will be pursued in conjunction with the NGOs affiliated to the ministry. A programme like this should not be done by the ministry alone. Several NGOs are out there that can provide specific support programmes. The ministry will now financially assist those NGOs to help the groups in the communities. Family life and counselling are some of the needs in terms of the social support, and the NGOs will be financially assisted. In fact, I have heard it said again, there is need for the involvement of the NGOs and some of the funding that we have will go to those NGOs to assist the Government in their programme.

Then we have the Community Service Programme. Again, information dissemination is the key to the ministry. The needs assessment survey indicated that many citizens are unaware of services available or how the services can be accessed. The programme that we intend to mount will sensitize members of the community on services available and better equip them to access these services.

We intend to have also, at our community development offices, literature available which will assist members of the national community. In this way, we feel that we will be able to touch the wider community and that the services which

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

*Thursday, December 3, 1992*

we have, will be made available to many more people; services which range from allowances to senior citizen, to legal aid and so forth.

As I said before, in our new thrust, and in our 1991 general election manifesto which we copied into our 1992 local government manifesto, it is stated that:

"The PNM is conscious of the fact that participation at the local levels require the development and strengthening of other community institutions, such as village councils and youth organizations, to ensure the widest possible participation in the local government process."

If you look at page 5 of the manifesto, it goes on to show some of the areas in which the village councils and the community councils will be involved. For example:

"Establishing machinery to allow them to undertake functions such as the development and maintenance of recreation grounds, public parks, child care centres, day care centres for the elderly; encouraging them to supply data on local and social and economic conditions; encouraging them to act as facilitators for the implementation of projects in their localities; encouraging them to undertake functions for the advancement and development of women in their communities; involving them, actively, in the co-ordination of local and regional trade fairs, sporting events and cultural displays and entertainment providing on a pilot basis, a mechanism for direct consultation between these organizations and Local Government bodies thereby allowing them an active role in political development."

Mr. President, if those functions are to be carried out by the village councils and community councils, we saw that there is need for community leadership and management training. Therefore, the division will undertake quite early in the new year, a special programme aimed at targeting the leaders in the community. The programme will be a graduated series of modules, so that even our young leaders will be able to fit into the programme with basic short courses, and our older leaders, or those who are capable, could proceed to a more advanced diploma in management.

We think it is necessary if, at all, these village and community councils are to be in a position to undertake these responsibilities. In this way we hope to achieve the objective of a citizenry well prepared to assume leadership at the village, regional and, eventually, at the national level. We hope to start those five needs which we have identified, quite early in the new year. As I said before, already our officers are in training to allow them to work with the groups. I must say again

that our staff is very small and hence the need for the partnership with others in the community, especially our non-governmental organizations.

The Ministry recognizes that a number of communities are severely disadvantaged, to the extent that some of them now seem to be on the path towards terminal impoverishment. Our Government is committed to ensuring that such a state should not befall our communities. Literature on the distribution of social services in both industrialized and less industrialized countries, indicate that frequently government provisions can be misused because of ineffective targeting. As indicated in the *Medium Term Policy Framework*, every attempt will be made by this Government to cushion vulnerable groups from the extreme effects of structural adjustment.

My ministry, in keeping with this commitment, would seek to make its contribution towards reversing the existing state of affairs in certain disadvantaged communities. We have identified such communities as the Beetham Estate, Laventille, Belmont, Maloney, La Horquetta, Enterprise and Marabella. This contribution has as its basis, two specific mandates from the Government—

**Sen. Hosein:** Mr. President, I wonder whether the Minister will explain the rationale, if she will, behind the identification of these villages, because she seemed to have left out a tremendous number of villages, especially in Opposition constituencies.

**Hon. J. Yuille-Williams:** I have said, "such as", and I gave a few. High levels of unemployment is a criterion. We have social consensus, because some of them are new communities; greater susceptibility to drug and health problems. These are just a few of the communities which have been identified so far. That is not the end of the story. There are other disadvantaged communities, and, therefore, we would be looking at all of them. I have just named some.

This contribution, as I have said, has as its basis, two specific mandates from the Government. One, the fostering of dynamic communities out of depressed communities, and, two, the promotion of cohesive communities, capable of effectively meeting the challenges of today's environment. The contribution of the Community Development Division would represent a new initiative to be pursued by this division. This new initiative is one of developing special programmes, specifically geared to meet the needs of such disadvantaged communities. The programmes will be based on the philosophy of community participation, with the

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

*Thursday, December 3, 1992*

goal of empowerment. As such, the programmes will be geared to support the communities in their quest for a social transformation.

The division is mindful of the fact that the extent of poverty in such communities has also impacted psychologically on citizens. As a consequence, the initial programme will have as its primary objective, the addressing of this state of being, by empowering such citizens, through developing their awareness of income-earning opportunities and enhancing their productive capacity towards that end.

The proposed programme is termed: "Empowerment through Community Service and Social Enrichment Skills." It consists of two parts: one, the community service activity, and the second, the acquisition of basic knowledge and skills for coping and improving the state of being of the community themselves.

This whole social enrichment skill programme will entail areas as: coping and survival skills; development in community; economic self-help groups; substance abuse, and so on. We have already drawn up one pilot project, and this is for the Beetham Estate where we intend to try the project. The project takes in 50 persons at this stage. The minimum number for any of these areas is expected to be 500; the maximum, we are hoping that we would be able to fund up to 1500 per community. The programme will last five days per week. In the morning they will be working on the social enrichment skills and on evenings it will be on the community projects. So you are doing two things. You have the social enrichment skills on mornings, and on the evenings you have your community service.

**5.15 p.m.**

To do a programme like this, for example, the one in the Beetham, we had to join with other groups in the community. I am pleased to say how happy I am that on the Beetham project, we were able to have working with us the Port of Spain City Council, the Ministry of Local Government and the Ministry of Works. Since it is an environmental project we chose for our first the Ministry of Agriculture, including the Botanical Gardens. Since it is the Beetham area we chose the National Petroleum Marketing Company as the business sector involved. These are those who are working with this particular group. All the projects will have a project management team which is an advisory team. In this case the advisory team was the Director of National Training Board, the City Engineer, a representative from the Ministry of Agriculture, the Self-Help Commission and a

representative from the Community Development Division. That is the environment team. The day-to-day management was done by the Community Development Division, with two paid officials. This is a pilot project. In fact, I should also say that the recruits will be given a daily stipend.

Based on the results of this, we would be able in the new year to work with other communities. Remember it is being targeted to the unemployed in the lower income communities. We are hoping to start with 500 in each community and we wish that our funds would enable us to go up to 1500. This also will be funded partly out of the \$5 million CARE project and no community that is in need or qualifies will be left out. We are as concerned as you are about the disadvantaged communities. I am sure there are others you would like to put in. I am serious about that. Part of it also will be funded from the money allocated to us for the CARE project.

Members will know that during the consultation we have had several requests from communities for projects which we said will be funded under CARE—Community Action for Revival and Employment. I have a list of a large number of requests from communities. They are here according to communities. After the projects have been identified, they are assessed and costed. I can give a list of some of the projects and the current state of some of the projects. What is important is not only that these projects will be done, and those who are involved in the CARE project will be paid, but on the other hand, they will also be given some social enrichment skill training. Members can see some of the projects which have been identified. The community development officers have already worked with the community groups to have these projects assessed and quite early in the new year, we will begin on those projects.

The ministry will be receiving a grant of \$19 million from the European Economic Community for social support programmes. Let me tell you what is the idea behind it. It will come out as community centre programmes. But the main thrust is the programme that you will have in the centre and according to the programmes that you are doing the necessary adjustment to the centre will be made and it will be equipped accordingly. We have been working quite hard with a number of communities. We have done quite a lot of work. Let me give you an idea, at random.

In Cedros, there was a request for a coconut and craft production centre at the Cedros Community Centre. In such a case, that community centre will be

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

*Thursday, December 3, 1992*

rehabilitated, a wing will be added and the necessary equipment for this particular activity will be placed there and the training will go on. This is part of the funding and this is how it is going to be done. It is not just rehabilitating the centres as they are, but with a purpose. We have been looking at centres throughout Trinidad and Tobago for the particular planning. In fact, I saw a very interesting one somewhere about—a fish depot in the Toco area where they wish to go into fishing or salting and what have you. Therefore, the necessary adjustment will be made to the centre and the equipment will be achieved by funding out of the EEC which is \$19 million. That will give us, in a large measure, some employment generation and skills training. The skill module is also put into it. I am happy to say all these programmes are part of the adjustment programmes. If you think that we have done so much it is because we are preparing for an early start in January in some of these cases.

**Sen. W. Mark:** Would you clarify a point for me? Are you aware of a community adjustment programme that is to be launched sometime tomorrow evening at 6:00 o'clock, in St. James? We understand from reports that Government has allocated some \$500,000 towards this community adjustment programme. Are you aware of this?

**Hon. J. Yuille-Williams:** I am sorry, I am not aware of a community adjustment programme neither am I aware that any money was allocated by the Government for this programme.

**Sen. W. Mark:** We understand that it is a massive fete that is taking place in St. James tomorrow night as part of the promotion of domestic tourism. Are you aware of it?

**Hon. J. Yuille-Williams:** No, I am not aware of it. I do not know if the St. James businessmen are promoting something down there. I am not aware that the Government is funding something in St. James. I can say quite definitely that the Government has not funded any programmes in St. James and that is not the community adjustment I am talking about.

Mr. President, I began my presentation by referring to the Government's objective to empower people and I went on to show what plans the Ministry has made so far for this empowering. One other area that I would like us to look at—and this is very useful especially at this time when our financial resources are very low and we are trying to keep our communities together—is the area of aided self-help. The year 1992 was a very active year for the National Self-Help



Commission, and it continues to play a pivotal role in evangelizing the sacred virtues of self-help, mobilizing resources and assisting communities to the extent of part funding self-help projects and I would like to give an idea of the extent of the work of this commission during 1992. A total of 112 self-help projects were completed, 175 are now in progress of the 325 which were approved in 1992. The projects range from pipe-borne water, electrical functions, secondary and agricultural access roads, drainage, retaining walls, building bridges etc; funding assistance on a matching grant basis was also extended to steelbands, community centres, churches, temples, recreation and environmental projects. In the case of the self-help projects, 22 were completed this year bringing the overall total of such completed projects in Trinidad and Tobago to 141 as from January 1988 to 1992. There were about 80,000 direct beneficiaries of this programme.

The National Self-Help Commission is currently undertaking a massive self-help water project in the Caura Valley. This will open up the villages for visitors in that area. I am pleased to say that we have been able to get an additional \$9 million for the commission for 1993 under the EEC structural adjustment programme. Arising from the new measures some of the major water projects likely to be undertaken in collaboration with WASA—and I am saying some of them—and the respective communities are: Blanchisseuse, Mohess Road in Siparia; Belmont, Gonzales. These are just some of the areas.

### **5.25 p.m.**

A large electrification project is being planned for Caura Valley. This \$9 million is in addition to the Government's subvention to the National Self-Help Commission. I would also like hon. Members to know that this year the communities will not only be given the material to go out to the project, but we are also hoping to work with the communities, so at the end of it, there will be a more cohesive group, and they will continue along this line of self-help. Much can be accomplished through the National Self-Help Commission.

I have listened to some of the Members' complaints and I feel that if approaches were made to the Commission, some of the amenities which they need for their particular area, can be accomplished through the Self-Help Commission and it would keep the communities together. We are not only going to look at the requests and give the materials to the group, but we are also going to work with the group, so that at the end of a project, we would have a community that is together and willing again, to work together.

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

*Thursday, December 3, 1992*

We also have another area which we are looking at, in terms of employment generation. That is the craft development area, For this, we have already appointed a task force which will be reporting very shortly. The task force has a specific mandate to make the industry viable, while at the same time developing artistic skills, using indigenous materials and maximizing the use of structures which already exist. This task force has already met with craft associations and individual producers around the country. What we felt before is that many persons can produce, but they needed help with marketing and exporting.

At this time I would be happy to say that we recognize around the country, there are some cottages which have been built some time before. The cottages are now put under our Ministry, so we could also utilize these cottages, not only for training, but as export centres. Again, we are going to use these in collaboration with this whole thrust in our craft and training centres. There again, we have employment generation.

**Sen. Hosein:** Would you mind giving way to a question? I wonder whether the Minister is aware that some of these cottages are housing the offices of Ministers. Is she preparing to ask them to vacate?

**Hon. J. Yuille-Williams:** I am sorry, I am not aware. I know that some of them are already occupied but I do not know of anyone being housed in them.

**Sen. Hosein:** The Minister of Finance is in Santa Cruz.

**Hon. J. Yuille-Williams:** The mandate is that we use these for training and export centres, because the things which we would like to do, we would need to use those cottages.

Some of the things that we intend to do, as we said before, will assist in employment generation and the development of the community, and assist us as we try to cushion the effects of structural adjustment. These are mainly within the division of community development.

There is another division that I would like us to turn to at this time. That is the division of culture. As has been stated on several occasions—

**Sen. Spence:** I wonder if I could ask three questions.

You mentioned giving information about services. I assume in this regard, there is a relationship with the Ministry of Information, which does a similar job.

The second point is that using the structure which you outlined to us, would be a good vehicle for delivering a grow more food campaign. You mentioned agriculture.

The third point is that with respect to handicraft, local indigenous materials, is there a forestry officer on your task force? One of the important local materials is tiriti. It is being taken out of the forest more quickly than it is growing. It is a very good possibility even for export as a raw material.

**Hon. J. Yuille-Williams:** I did not take a note of your question, but let us see if I can remember.

The last question was about the officer from the Ministry of Agriculture, Forestry Division. I know when I went to Toco, that they were liaising closely with the Forestry Division. In fact, some of the grasses which were grown there were grown for the residents, by the Ministry. I will take note of what you have just said and ensure that is there, because I know that we have been liaising with the Ministry of Agriculture.

On the question of the information dissemination, yes, I know we are talking about the Ministry of Information. What we are saying is that we have community developments all over Trinidad, and some of them are very close to the people, especially in the rural areas. Therefore, we feel that we have a responsibility from that point to also disseminate information, through our officers as well, because we need these groups. We think we need to do it.

Yes I agree with you, with your grow more food campaign. When we talk about consumer awareness and buy local, we believe in that module, things like that can certainly be developed. This is the whole purpose of that module of consumer awareness and buy local. If you are talking about buying local, yes, we will develop that in the module.

As I was saying, this Government is of the firm view that culture has a pivotal role to play in the overall development of this country. We are of the view that culture including the creative work constantly presented to us by our artistes, serve to give our people a belief in themselves and a sense of belonging to this country. In this sense, culture can be viewed as a potent force, a vital national resource venture, rendering patriotism, loyalty, self-reliance, civic pride and a keen sense of public responsibility.

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

*Thursday, December 3, 1992*

We also recognize that this country brings together in one spot, all the great ancient traditions of the world. Here, we have people of diverse ancestry; they congregate into a single nation home. The several cultures represented by these varied ancestral voices find it possible to co-exist in a manner so healthy, as to make for a peculiar self-sustaining vibrancy. In this regard, it must be noted that we do not see culture as being only the arts.

Indeed, we believe that culture is the total way of life of a people and that cultural action programmes should focus, not only on the development of the arts but, also on other equally important areas of human endeavour. If we refer to the United Nations definition, they define culture as some ways of life, thought, action, belief and customs and values underlying there.

From our manifesto, we said that we have a unique contribution to world civilization, if only we continue to nurture and facilitate the growing and flowering of the reforms of cultural expression in our country. It is for this reason that we have placed similar emphasis on all material forms in which our culture manifests itself, particularly in those instances in which the manifestation comes in the shape of a festival.

No one can easily downplay the significant role that festivals of all kinds play in the cultural calendar of Trinidad and Tobago. This Government embraces each and everyone including Carnival, Phagwa, Divali, Tobago Heritage Festival, Hosay, Emancipation and such other community based festivals such as the Santa Rosa Festival and the Siparia Fete. These events all contribute to the development and shaping of the Trinidadian and Tobagonian personality.

On another level, however, activities of this type may also provide opportunity for serious, viable, economic activity of the level of the local community as well as on a national scale.

**Sen. Hosein:** Would you mind giving way? I wonder whether the Minister will tell us what plans she might have to address the imbalance and the absence of Indian culture within that Ministry and what is being done in Trinidad and Tobago for this?

**Hon. J. Yuille-Williams:** Sen. Hosein, let us hope that as we go along, we will address that.

This Government is acutely aware of the possibility of developing strong cultural industries, which will serve to enhance the sustained production of quality

cultured products and the successful marketing of such products at home and abroad. In this regard, we feel that it is also appropriate, at this point in our development, for our people to view the production and promotion of cultural goods in the context of a viable tourism industry; one that seeks to promote both the domestic and foreign tourism thrust.

It is against this background, that one must view this Government's approaches to culture in 1992. Very early in the year, it was the decision of the Government to lend full support to the concept of 1992 as the Year of the Arts. All projects and programmes therefore, that we initiated must be viewed as a comprehensive Year of the Arts package, one in which Carifesta V would reside as the centrepiece.

**5.35 p.m.**

Our support for the National Arts Association and national cultural groupings form part of the overall package. During the year we were able to lend financial support to such organizations as the National Drama Association, the National Dance Association, the National Parang Association, the Secondary Schools Drama Association and the Writers' Union. We also supported such festivals as the National Day's Programme, Krishna Leela, Divali Nagar, Emancipation, Santa Rosa Festival, and I just had a request with regard to the Ramleela Festival.

During the Year of the Arts it was appropriate that our steelpan be singled out for special honour and recognition. What better way to do this than to declare the pan the national instrument of Trinidad and Tobago. This act of declaration sent a clear signal about the levelling off and the kind of support that this Government is prepared to provide in support of the development of pan—the instrument, the music and the artistes. I will come back to the artistes a little later in my presentation.

I wish to assure you that this is only the beginning of a dynamic approach that my Government intends to adopt—steelpan research and development work, steelpan documentation and promotion and an aggressive marketing, locally and abroad, of the instrument and the music. Such a focus can greatly assist the employment generation effort, the export thrust, the new tourism initiative and, in general, the development of viable alternative economic strategies.

Mr. President, I now turn to just three important festivals that we had this year in this area. The first I would like to recall is carnival. Do you remember that when we took office there was no commission or board in place? I am pleased to

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

*Thursday, December 3, 1992*

report that through the efforts of this Government, 1992 has been an unprecedented success in the staging of carnival. The members of the board took just five weeks to bring the carnival to fruition. We believe that we would have courted a very real and a very serious level of social disorientation, however, if we had failed to pay attention to the matter that was perhaps most on the minds of the population. People simply wanted and have always wanted their carnival. I was pleased to see the Leader of the Opposition take advantage of the offering we provided for Carnival 1992 as everyone came together to have a particularly good time.

My ministry felt that we should move very swiftly so as not to disrupt the cultural and, indeed, the socio-personal needs of the people and the board was appointed. Out of this year's carnival, I wish to put on record several firsts which set a landmark in our social and cultural history. It was the first time that we had the NCC perform in an organized manner with a board, management staff and volunteers. It was the first time that, while the carnival was being staged, efforts were being made to make a comprehensive study of the events themselves. It was also the first time that the flow of bands was not hindered by bottlenecks around the Savannah. In fact, the carnival ended at 5.30 p.m. in broad daylight.

I wish to say that it was the first time we were able to generate any revenue at all from carnival. At the end of the day we should have \$100,000. We were able, at that time, for our immediate uses, to get \$52,000, of which we gave \$17,000 each to the impact groups, the calypsonians, the masqueraders and the steelbands. This is the first time that they have received any money at all at the end of the carnival. With the subventions going, we have a small surplus of \$100,000, but when you consider the time within which these things were done, I wish to congratulate the NCC for what has been done over that short period of time. It was the first time that we attempted to market our carnival and put it out there for the world.

**Sen. Kwabene:** Could the hon. Minister indicate to this Senate whether or not members of Pan Trinbago will have access to the \$7.5 million which was supposed to be held in trust for them?

**Hon. J. Yuille-Williams:** Mr. President, I do not consider that question relevant at this time.

**Mr. President:** I know you are trying to contain yourself to 30 minutes, but I just want to let you know that you have used up 45 minutes so far, but we are within the Standing Order. Please continue.

**Hon. J. Yuille-Williams:** I wish to say that for this year, 1993, the NCC has a new vision and—I should give you some insight—there are plans to stage a carnival exposition for about a period of one month at the Complex, if that is possible, on the old model of the exposed stage by the EEC. We also intend to develop the district carnivals, as well as go into some more aggressive marketing for the 1993 carnival.

I must also refer very briefly to our Carifesta which took place this year and which, I must say, brought together a committee formed of Government and the private sector. There are certain gains which came out of the Carifesta and I would like us to write into the records some of these gains:

- (a) The fusion of minds and the exploration of ideas at the symposium.
- (b) The historic gathering at Arima—the indigenous people.
- (c) A collection of the finest works that we have had.
- (d) The community festivals that have succeeded in bringing visiting contingents into direct contact with whole communities. This has been so successful that these committees have kept themselves together and will again be called upon to continue the work of the festival around the country.
- (e) Out of that, we have now tried to consolidate some of the gains from the Year of the Arts and we already have our Symposia Committee continuing to work.
- (f) We are looking at a collection of all the audio-visual tapes, putting together a proper data base of Caribbean culture.

These are just some of the gains that we have made from the 1992 Carifesta. One should not fail also to write into the records that this year we have also established a National Dance Company, the first for Trinidad and Tobago and in a few years, I am quite sure, we will be doing much better than Jamaica.

**5.45 p.m.**

A couple of days ago we concluded another of our festivals which was the Prime Minister's Best Village Competition. We are hoping that next year we will be able to carry this festival even a little higher. In fact, we intend to restructure the whole Best Village Programme so that we will take in much more of the community. We feel that there is a desire for it. We want to market our Folk Fair,

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

*Thursday, December 3, 1992*

our folk theatre and our handicraft and we feel that we are going to spend a little more time on this.

Before I conclude on the cultural aspect of it, let me just say something that I referred to earlier and that is the artistes. We are well aware of the problems. We have to face the fact that there are a large number of artistes who are unemployed, especially our steelband men. We are going to look at ways in which we can assist them to redress that. We have also found that some of our artistes, especially groups, who receive funding from the ministry, when they leave this country and go abroad find themselves in difficulty. We recognize in some cases the management and liaising on the other side were not satisfactory.

I met one group that we had funded in London, waiting at our High Commission's door asking the mission for help to tide them over. The High Commission said that they did not have money for that. What we intend to do is to set up within the ministry a small management body which will help these groups to plan. They will also liaise with the missions abroad so that we have a better idea of what they are doing and how they are doing it. Because we have the talent to export but in some cases we may not have the management capabilities to do the best thing and, therefore, as we go abroad we may have difficulty with some of these groups.

So the ministry must respond to this in a very positive way and we are going to set up an advisory management body to assist, especially in the cases where taxpayers' money is being spent, but also those groups who are trying to go on their own and they need that kind of assistance. We are also going to sensitize our missions to these needs so the missions will know well ahead of time what is happening so they can respond to the groups.

If I could just move on to the final area which is as important—and I know Sen. Mahadeo will ask why I took so much time on the other areas—and that is the area of gender equity. That is the area in which the Women's Affairs Division is working.

Increasingly, we are hearing of men at risk and our social researchers are uncovering factors in our socialization process and our social structures that would lead both men and women to feel that their gender is disadvantaged. The Women's Affairs Division of the Ministry of Community Development and Culture is the arm of the Government which is charged with overseeing matters related to gender equity. I will have a little more time to talk on this when I try to



respond to the motion on public reform. But I would just like briefly to let you know some of the work that is going on at this moment.

We have been thinking about restructuring the division and for that we have been able to source funding from the International Development Bank. With that, we have two consultants coming to Trinidad, one to work with the Ministry, one to work with the NGOs and a documentalist. They are looking at the role and function of initiating, implementing, designing and monitoring. There are a number of other things that these consultants would be doing. We are hoping, at this time, to really work in such a way that we will also be able to document much of the data on Trinidad and Tobago. We want to keep in closer contact with other non-governmental agencies.

As I said before, I will have another opportunity to go into the work of this division of Women's Affairs. We also wish to put on record that next year we are having what we call a National Women's Fair and the whole idea is to create gender awareness throughout the country. We will give all the NGOs an opportunity to come before the general public so that the public would be aware of the services which are provided by these organizations and we are going to do it in such a way that the men and women throughout the country will have an opportunity to see what is happening with the services which are being provided.

Again, we are looking for funding for it from the International Development Bank. I have already spoken with the organizers who had promised to assist us in this way.

Mr. President, as you would note, this year the principal delegate from Trinidad and Tobago at the Organization of American States for the Commission of Women was appointed as the Vice-President. This is a specialized organization which was established in 1928 as an advisory body to the OAS and its organs on all matters relating to women in the Americas. Because of Trinidad and Tobago's involvement at such a high level, it will not only facilitate this country's participation in the decision-making of the organization, but it will also assist us in being able to access financial, technical and other benefits which are available to members of the organization.

I would respond, in closing, to two things which our hon. Senators have mentioned. We have also been looking at legislation and we have had two seminars this year, one on the attachment of earnings, one on domestic violence and we are now looking at the Occupational Health and Safety Bill, which I have

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

*Thursday, December 3, 1992*

heard raised in this Senate. I am pleased to let you know that the Children's (Amdt.) Bill (1991) was last week again brought before a small committee of which I am a member. The bill is there, but what we had asked the responsible ministry to do was to look at the support systems that are now available because we are thinking that we could not just take the children from one area and place them into another area.

When that bill comes to Parliament we wish to bring it with the support systems that are available in Trinidad and Tobago and also the systems that the Ministry hopes to put in. I am looking at it from the point of view of the safety and the protection of women and their functions in the work place. I am very much in favour of having this brought as early as possible to this Senate. Senators can rest assured that will be done.

**Sen. W. Mark:** What about sexual harassment of women?

**Hon. J. Yuille-Williams:** The Sexual Discrimination Bill is another bill in its first stage of preparation which will render certain sex discriminations unlawful. So we are actually working on the laws that are to be put in place and we are also going to try our best to educate people about those laws.

**Sen. Mahadeo:** Mr. President, I did not want to disrupt the free flow of the hon. Minister's contribution—she was going on so beautifully—but while she touched on the question of legislation being looked at for women and the attendant violence and other things, I was wondering, there is an area that I would like her to look into. At the moment we are not able, because of the laws of the Inland Revenue Department, to get evidence out of men claiming for wife and children to be brought into the court. Could she, while she is doing that, look at whether legislation could be amended.

**Hon. J. Yuille-Williams:** I thank the Senator for her contribution. I know we will probably talk about it. But as I said before, some of these things I am discussing with Sen. Draper. I do not know what comes under his portfolio of public service reform because we have an interministerial committee that is working there now.

Thank you very much for the time you have given me, Mr. President. Let me conclude by saying that the Ministry of Community Development, Culture and Women's Affairs will play its part, not only in moving the country beyond stabilization to growth in in the economic sphere, but also in achieving the wider Government objective and that is, total people development. Thank you.

**Sen. Rev. Daniel Teelucksingh:** Mr. President, the just concluded famous test match between the West Indies and Australia has once again shown the significance of the tail-enders in any game. I am very happy to be among the tail-enders in this very wonderful three-day fete match.

Mr. President, the world of politics, especially that aspect of it which deals with governing and the exercise of authority is one of the great hazards of modern times. Keeping the masses contented and addressing their needs is not easy if one's sanity is to remain intact.

I say this because I was truly overwhelmed with an unusual pity and sadness to see the hon. Minister of Finance in the other place—to use his words—“giving his account on the conduct of the nation's economic and financial affairs”. While he was speaking, sharing in something that was so very important and sacred, there were disgruntled, angry, unhappy, chanting, plackard bearing workers marching around the Red House asking for their \$70 million, almost demanding it, and visibly supported by the street vendors, too.

I ask myself, looking at that picture, somehow or the other, I wanted to put the two pieces together and could not. I have been asking myself who was responsible for this state of affairs. Is somebody insensitive; the marchers who were making their claims, or the hon. Minister with his precious address to the nation? Why is there this unpleasant reminder that those out there and we in the Parliament come from different worlds and do not seem to belong to each other?

It was rather disappointing that the budget Chamber had to be encircled by this mass of human displeasure and dissatisfaction, an ominous sign that should really cause all of us to be concerned. Is there a link and should there be a link between what we do here and what is done outside?

Mr. President, added to my agony was the absence of the Opposition Parliamentarian at the time of the budget assent, after the debate. Why, I ask myself—and we need to ask ourselves—should the national budget be treated with such scorn and contempt? This question ought not to be ignored. I really believe all is not well in this country.

I make an appeal—and I am sure I share the sentiments of many of our citizens—to Government, Opposition and the unions for a cessation of hostilities, giving way to a united effort towards the promotion of national healing. If I have to be a dreamer and an idealist, this is where I stand; I can do no other. The

*Appropriation Bill (Budget)*  
[SEN. TEELUCKSINGH]

*Thursday, December 3, 1992*

uneasiness among the parties who govern this country is a source of concern for every citizen in this land.

The budget is not to be seen as a PNM budget. Neither should it be a UNC budget, and I can give you the assurance that the Independents have no such sectarian ambitions.

Mr. President, I most respectfully propose that the Government devise a new strategy in budgetary preparation to ensure wider participation at every stage, from drafting to implementation, which will at least prepare the way for full approval of both Houses of Parliament.

It is certainly disturbing to observe that budget presentation and its ensuing debate continue to be despised as nothing more than a national farce.

God has promised us 1993, but we intend to carry a curse to spoil a year that is not yet ushered in. The Government, on one hand, jealously protects its mandate to govern, while the Opposition demands recognition and the trade unions vociferously demand a piece of the action. Enough of that.

Mr. President, let me now add a few brief observations on certain matters referred to in the budget. On page 7, the hon. Minister of Finance reminded us of the well-documented gloomy forecast for oil-producing countries. Yet, we observe, that the Government continues to rely so heavily on the petroleum sector, as other Senators have emphasized. The budget is hoisted as the flag on Amoco's offshore gorilla rig.

Mr. President, we have been reminded that ours is an infinitesimal place in the global scenario. Further, we have been reminded that there were no new oil fields discovered in Trinidad and Tobago since 1969. It is good to hope, but we cannot continue to put all our eggs in one basket, as reflected in the budget. We expect a renaissance in the petroleum sector with the introduction of modern technology, but who says the prices will always be favourable for us, as Sen. Spence mentioned earlier on today? Who says that the treasures of the ocean floor will be surrendered to us, again?

Mr. President, the Government, in the 1993 budget, should have made more definite provisions to stimulate and develop money spinners apart from the petroleum sector, as others have observed in the last two and a half days or more.

At this juncture, I want to add that it is imperative for this Senate to advise the Government to be vigilant and wise, as we are witnessing now a resurgence of the

interests of transnational corporations who are desirous of joint venture projects with us. It is another stage in our history, as though we have completed that cycle.

The hon. Minister of Finance, in his budget speech on pages 27 to 30 made references to agreements with Enron, Amoco, Exxon, and I am certain there are others who are waiting to be included to lay their hands on Fertrin and the Urea company. Our Government must be absolutely certain that our vulnerability is not explored. Transnational corporations operate for profits and we must not be trapped, to gleefully and carelessly offer tax holidays and over-generous you incentives and inducements which may be detrimental to the national well-being.

Transnational corporations are giant producers and suppliers of scientific and technological expertise. They sometimes come as Greeks bearing gifts in a package of huge financial capital with powerful managerial and technical skills, certainly awesome and attractive to us who are scrunting. Their objectives have always been the same.

Mr. President, our Government needs to be cautious with those agreements and contracts we sign for several transnational corporations have track records of over-exploiting for their benefit due to the political and economic weakness of Third World and small, industrialized countries such as ours. After exploitation of resources they have left many nations devastated wastelands. Government ought to exercise our legal and political power, though limited, to carefully monitor, with appropriate checks and balances, transnationals who may be here with us. If we are to create a setting which is profitable for them, then simultaneously it must also serve the interests of this population. We must safeguard at all times our interests for both company and the nation, to ensure that we are not ripped off. That is very important.

Mr. President, before I pass on from the petroleum sector, permit me to remind you of the prominent place natural gas occupied in the budget debate of January of 1992. Now, Minister Valley said again:

"We will continue to promote the use of compressed natural gas as an efficient, cost effective and environment friendly fuel."

Mr. President, there was a big hurrah in the January debate about CNG as a motor fuel. The virtues of CNG were extolled and the population got excited over it. The gas was then sold at an attractive price. The hurdle was costly conversion of vehicles being around \$6,000, but some persons were willing to make an effort. Several motorists expressed surprise, nevertheless and great disappointment just

*Appropriation Bill (Budget)*  
[SEN. TEELUCKSINGH]

*Thursday, December 3, 1992*

as they were planning to convert their vehicles, like a thief in the night, the Government almost doubled the price of CNG.

I heard a motorist refer to that just after January and all the big noise about CNG; he said that this was an act of deception. People were suspicious of further increases, hopes were dampened and this is why the forecast was not achieved.

If we have an estimated 9.5 trillion cubic feet of proven reserves and about 17.5 trillion cubic feet of probable reserves of natural gas, why was the price increased to be a deterrent to possible users within the last few months? If we convert today, after another reminder of the virtues of CNG, who says that the price will not climb up tomorrow?

Mr. President, if our nation has a 20-year natural gas contract with a foreign oil giant, yes, another transnational corporation—20-year contract that seems to be binding, could the Government not have an agreement with its own people? That is a very important point, I am serious about that. Could the motoring public of Trinidad and Tobago know for a period of, let us say, five to 10 years that they can proceed and convert their vehicles to CNG, assured that the price will remain fixed?

Could there be a concession for the people of Trinidad and Tobago just as concessions are made and given to foreign partners? Could Government and population ever be partners? Maybe this is why we appear to be strangers on the first day of the budget presentation.

Mr. President, the travelling public, particularly the poorer classes, those who do not own vehicles and depend on taxis and privately owned motor cars, have been over-burdened by the prohibitive cost of transportation. We all know that increased costs of fuel have always resulted in increased travel costs. The prospects of cheap CNG may give hope to commuters, that silent majority who may never even own a driver's permit and the thousands of school children who live in areas not serviced by Government's public transport.

Permit me to make reference to another matter, the question of our external debt on page 12 and that of further borrowing on page 15 of the budget speech. Several Senators made reference to the external debt in their contributions and their concern is of national significance.

The hon. Minister reminded us that at the end of 1992, our external debt will be US \$2.2 billion. The Minister said:

"The fact that we have been able to meet our external obligations fully and on time, is clearly the cause for some satisfaction. This has been achieved mainly through the demonstrable capacity by our citizens to make the sacrifices necessary to see us through this difficult period by restraining consumption, particularly of imports."

When I read something like that, I am of the opinion that some of the conclusions in a statement like this betrays a miscalculation in sounding out the population. A statement like this reflects a misinformed assessment, like somebody who lived in an ivory tower and distanced from reality in Trinidad and Tobago.

Mr. President, let me ask you this: Did we really "meet our external obligations fully and on time," which will be the cause of this satisfaction? To quote the hon. Minister. Or did we not borrow \$100 million on the Eurobond market to help us out? I do not estimate that a loan to pay another loan is any great achievement, or the cause for some satisfaction. Instead, I believe we certainly fell woefully short of our loan obligations for 1992 and the prospects for 1993 loan repayments do not seem to be too good. We might as well level with the population, not fool them with a statement like that.

I also sense in that statement an excitement in the hon. Minister's report about our re-entry into the international currency and capital markets. Listen to him, and this is at page 15 of the budget speech:

"The Eurobond placement...marks the return of this country to the international capital markets after an absence of almost five years. We are very pleased..."

I underline "very pleased".

"...to have Credit Suisse First Boston as the lead manager on this issue, as their resources and expertise which were instrumental in what was a difficult market. While there were and are other borrowing options open to this country..."

Yes, Mr. President, our much heralded re-entry, as far as the hon. Minister sees it, into the international currency markets represents an escape from the clutches and jaws of one set of creditors into the deadly web of another. The July 1988 edition of Euro-money says:

"US commercial banks are among the largest and certainly the most uncontrolled gambling institutions in the world."

*Appropriation Bill (Budget)*  
[SEN. TEELUCKSINGH]

*Thursday, December 3, 1992*

One ancient seventh century writer gave this advice about this business of moving from one place and finding refuge in another. Listen to him: He said it is as if a man ran from a lion and a bear met him; or he went into a house, running from the lion and he leaned his hand on a wall and a scorpion bit him.

**6.15 p.m.**

Mr. President, there are no good signs—this is another matter in the same "block" in the budget speech—that Government's policy is to liberate us from the trials and agony of burdensome and socially painful debt commitments. I see pure contradiction to hear the hon. Minister say:

"We must not lose sight of the imperative to ameliorate the high social cost of adjustment."

Yes, that imperative to ease and minimize or to eradicate the high social cost of adjustment seems only to be empty rhetoric, for Government intends to borrow about US \$1 billion in the next four years to help finance its medium-term development programme. That bothers me. Who knows what bright ideas may arise during that four-year period which may demand further external financing?

What madness is this, when at the end of 1992 with the old external debt of US \$2.2 billion, still haunting us as a bad dream, we are seeking to make significant additions to an already embarrassing burden? The *Draft Estimates of Revenue for 1993* only, page 46, indicate the proposed foreign borrowing to be TT \$1.65 billion.

Mr. President, you want to convince me that we need some loan assistance? Yes, I have heard this, but I know that you will also advise that we must borrow with great care and you will agree, in spite of that, there are positive signals of unrestrained borrowing; and this is frightening. I still take some consolation today from Sen. Saith's views on this very vexing question. I have some hope, and I hope that he would give that kind of care and caution that was exhibited in his statement today on this matter.

**Mr. Valley:** Mr. President, just a matter of clarification. The hon. Senator quoted a figure a while ago—US \$1.6 billion borrowing or something—page 46. Could he refer me to it, please?

**Sen. Teelucksingh:** Government intends to borrow about US \$1 billion in the next four years. You want to know where I got that from.



**Mr. Valley:** Yes.

**Sen. Teelucksingh:** On page 46 of the *Draft Estimates of Revenue for 1993*—one of those pretty coloured books which I read last night. There are some estimates there for proposed foreign borrowing. It is a big, frightening figure stated in TT dollars. I will check that and if I am wrong I would be very happy for some clarification. Looking at these figures about the kind of external borrowing we envisage, they are all staggering.

Mr. President, I continue. Are we to take loans *ad infinitum*, if even with the help of people like First Boston, to transform Trinidad and Tobago almost overnight with, let us say, a beautiful sprawling airport and other such structures and development projects? My question is: At what social cost? Irreversible social consequences. I am not making this up; we see this; we know this can happen; it is happening to us right now. Therefore, I sincerely believe that the political directorate does not have to hastily erect monuments which demand continuous human suffering.

Why can your tight, compact, demanding and over ambitious five-year plan not be staggered over a 10-year period? You do not have to do this to impress the electorate at the end of the five-year period, we will vote for you again and give you another five years. All that you plan to do in this short period, stagger it over a longer period. Instead of a five-year programme, let it be for 10 years.

We have been cutting back on so many essential services in our country, partly because of debt servicing. Why? Listen to the Minister:

"To maintain our international credit worthiness; to meet the challenges of the future; and to hold our heads high."

Mr. President, visit ward 53 in the Port of Spain Hospital and you will see very sick people sleeping on chairs in the hospital and trying to hold their heads high. They spend the whole night sleeping on chairs, holding their heads high, leaning up on the nearest wall, and you hear them say that they slept on the floor the night before. We intend to hold our heads high on the international stage but at home we hang our heads in shame, agony and grief.

I have heard for the last few months about the vision of making this country the financial capital of the Caribbean. That is fine! I like that idea. But my stance today is that while you are trying to do that, I believe it would be a wise thing for us to work towards making Trinidad and Tobago the capital and centre for morality, justice and right living; and that is very important.

*Appropriation Bill (Budget)*  
[SEN. TEELUCKSINGH]

*Thursday, December 3, 1992*

The hon. Minister of Finance spoke about the capacity—I read it just now—of our citizens to make sacrifices. If that is so, I really believe they have reached saturation point, when I hear of the daily protests, the marches and the litany of complaints. Did you listen to the news last night and the night before? Have you heard within the last 24 hours, the militancy in the voices of some leaders who are using that word "struggle"? I have heard that word "struggle" in a context that is terrifying, and you are talking about the capacity of our citizens to make sacrifices. They have reached saturation point, I feel. Look at the poverty and the emptiness on the faces of people. You cannot use that statement again. I do not believe this is a correct statement for 1992. They do not have the capacity to make sacrifices, and that statement is not true.

I rather think that there is abundant evidence that the citizens of this country, not only made sacrifices—if they made any at all—I believe they were sacrificed. They did not make sacrifices. Many citizens of this country were sacrificed and continues to be sacrificed against their will. You see it on their faces and hear it in their voices of need.

What a sick joke to talk about our citizens restraining consumption—in the same statement We are talking about restraining consumption particularly of imports. Let me ask you this, Mr. President: Who in Trinidad and Tobago has restrained their consumption in imports? Who has been restraining consumption and banding their bellies and so forth? The person who got a 10-days job with LIDP, is he the one we are hoping would restrain consumption? The poor farmer and the poor gardener whose garden was washed away by the last flood, is he the one who is expected to restrain consumption? The single mother who has been cleaning a house once per week for \$50, is she the one who is supposed to be restrained when it comes to consumption of imports? Not the poor family with a two-burner stove.

That statement which we have heard from the last Government, the previous one to that and the present one, about people having to restrain consumption and look at imports again, let me tell you something, that challenge has been given to a certain group of persons in this country, and they have not been restraining consumption. I would not be misled. You see the increasing number of satellite dishes on well-manicured lawns and raised towers. You check out those who prefer to have in their homes, very expensive ice-makers. They are the ones who have let us down when it comes to restraining consumption. Who is going to restrain consumption? It is a very important thing and we have to understand this.

They are the ones who have let us down, not the poor people. The poor people have nothing to restrain again. These are the people who could afford, but somehow or the other, they have been helping us all along, promoting the flight of foreign exchange, and we pamper the appetites for luxury of this group who refuse to restrain consumption.

**6.25 p.m.**

Let me tell you this. I do not want to be misunderstood. I do not begrudge those who search for their comforts and could afford it. But I think Government and all of us, must never be misled in thinking that the call to austerity was ever taken seriously by those to whom it was addressed. It will be worse now that we have opened all doors and we offer all luxuries for sale, because this is one of the consequences of trade liberalization.

On another budgetary concern, I will be the first to compliment and congratulate my Government for its proposal to formulate the civilian conservation corp to address some of our important environmental problems, one of which is the dry season fires. I think it is a very good and a wise and timely investment and I congratulate the Government, because this problem has caused so much devastation and destruction of our precious forests and has inflicted severe damage to our already fragile ecosystem. I hope that from the \$15 million budgeted by the Government, that we can invest in more sophisticated fire-fighting equipment, possibly a helicopter designed for fire-fighting in difficult terrain.

This Government has to fight against the whole question of slash-and-burn. The slash-and-burn approach to agriculture and housing on the mountains and hills must be closely monitored. In some areas, it must be outlawed. What mechanisms do we have to control the burning of forest trees which end up in the coal pits of Valencia and Moruga? Not only the rain forests of Brazil are threatened, but ours, too, are badly scarred by indiscriminate strategies. I hope that Government's representatives who attended the Earth Summit in Rio, will take the lead in rescuing our environment from further abuse.

Let us not think only of the forests. Recently, the sight of dead red fish, groupa, salmon, carite, shrimp and mussels, floating in the Gulf of Paria and in the Point Lisas area, is an example of the regular threat of marine life in much of our coastal waters. Where is the legislation? Maybe it is there in the books. Where is the legislation to ensure the preservation and protection of the environment in

*Appropriation Bill (Budget)*  
[SEN. TEELUCKSINGH]

*Thursday, December 3, 1992*

industrialized areas, and what penalties are in place for offenders with no adequate provisions, for industrial waste?

Finally, I share a concern with the hon. Minister of Local Government. With the recent restructuring of local government bodies, a new borough, realignment of boundaries, a new slate of councillors, continuing demands to upgrade equipment in these councils, improved services called for by citizens all over this country, I cannot understand the rationale for the decrease in Government's subvention of approximately \$43 million to municipal and regional corporations. How will they meet the shortfall? If they fail, can we estimate the social consequences? Mr. President, we just cannot allow the work of the local government bodies to ever be disadvantaged.

Thank you very much and seasons greetings.

**The Minister of Information (Sen. The Hon. Camille Robinson-Regis):** Mr. President, the Information Division underlies all ministries and its functioning throughout the public service and through the private media is essential to ensure the understanding by the people of the Government's vision, programmes, projects and policies. The country is going through a period of transition. Many things are changing. Our citizens must be made aware of these changes and be partners in the change. The Information Division recognizes and acknowledges its role as an agent for social transformation.

The Information Division began in the 1960s as the Public Relations Division in the Office of the Prime Minister. Its status changed to that of a Ministry in 1982 and from 1987 to the present time, it reverted to a division in the Office of the Prime Minister.

Cognizant of the constant need for change, in April of this year, the Library Services Division was removed from the Education portfolio and added to the portfolio of the Prime Minister, under the Information Division. In my presentation, I want firstly to deal with the libraries portfolio.

Any society which hopes to develop must recognize that information is a prime resource in the development process. We must recognize that libraries are not simply places where people go to borrow books or students to get answers to questions. Libraries are an important part of the entire information sector which underpins development. In the past year, therefore, every attempt has been made to prioritize the development of our library services, recognizing as we do, that an investment in the educational, cultural, social, economic and political

development of the nation is an investment, ultimately, in our most valuable resource, our human resource.

Government has illustrated very clearly our understanding of the importance of libraries. We have earmarked a national library as a significant aspect of the re-development plans for the urban centre of Port of Spain. The Hart Street block is dedicated to the National Library Building which would house the National Heritage Library and the Public Library Services, the Administration Offices of the National Library System and a Concert Hall. The esplanade around this building would be constructed in such a way as to link it with Woodford Square and it would be designed to accommodate outdoor cultural activities; including street theatre so that our artistes would have a medium for self-expression.

During 1992, repairs were done to the Public Library; branch library buildings in Point Fortin, La Brea, Sangre Grande and Roxborough were enhanced. The Princes Town Library was relocated to a new spacious building, and in addition to repairs being done to the historical Carnegie Free Library, a novel project to expand it by the acquisition and conversion of containers, is also well in hand.

### **6.35 p.m.**

The Government recognizes that it is not only the function of the Ministry of Education to promote the reading habit and improve literacy and as such, many of the libraries' services have been geared specifically to achieving these goals. We know that the reading habit goes hand in hand with our rich oral traditions and there have been ongoing programmes involving our nation's leading artistes designed to promote literacy reading and the love for libraries.

The information base of libraries permeates all aspects of Government and society and to this end libraries were brought into full focus during Library Week from November 1 to 7, 1992, after an absence of over 25 years

Libraries fully supported Carifesta V, by mounting exhibitions throughout the country and staging the International Carifesta Book Fair.

A major library activity in 1992, was the hosting of the 23rd Association of Caribbean University Research Institutional Libraries Conference, the theme of which was "Management of Libraries and Information Centres in the Caribbean." This activity was aimed at preparing our librarians and other information specialists for the 21st century.

**Sen. Merritt:** Mr. President, if you will permit me, while the hon. Minister is on libraries. Could the hon. Minister indicate to this Senate if there are any plans afoot to open and equip the Maloney Library? It has been completed for over a year. I was listening to the Minister's statement and heard her mention a number of libraries throughout the country but there was no reference made to Maloney, which is a new library and it is just sitting there doing nothing.

**Sen. Spence:** Is the mobile library service to be revived? This seems to have a very important service to rural areas.

**Hon. C. Robinson-Regis:** Mr. President, I am dealing with the various sections in sequence. I will be coming to Maloney and the mobile libraries soon.

In the library service a programme named CLIC which stands for Community Library and Information Centre designed to provide consumer type information and functioning as an information centre for citizens has been established at the Carnegie Free Library, the Point Fortin and Princes Town libraries and, is gradually being implemented in some other libraries. The full-fledged programmes will provide citizens with published information from various Government departments and a location for government forms for members of the communities. Persons who would be able to offer advice provided by the Government would be part of this community library information centre.

As part of the libraries community outreach programmes and community involvement, Government has given full support to the impetus from various areas of our community to establish libraries. Recently, the community libraries in Diego Martin and Mayaro have been incorporated into the nation's library system. The Maloney library will soon be coming on stream. The building was recently handed over to the Office of the Prime Minister and we are now looking at establishing a proper structure for the running of that library including, the provision of the services of a librarian who will oversee the running of that library. Government is in the process of establishing very clear guidelines to facilitate the provision of community libraries as an expression of an optimum development process—a partnership between Government and communities. With regard to libraries generally, the Government has the support of several corporate and private citizens in ensuring the provision of these services.

Our people oriented Government has not forgotten other communities which do not have libraries and is catering for their library needs by the expansion of the book mobile service both in Trinidad and Tobago. There are at present 20 book

mobile service points in Trinidad and a similar service in Tobago that is now marked for expansion. With the assistance of the Information Division, information from communities will be fed back into the entire library system and the national community to enrich our knowledge of our culture and lifestyle and strengthen the information base of our heritage collections.

School libraries are a critical component of the education system and of the library services in Trinidad and Tobago. They are the avenues through which we intend to develop the kinds of citizens we need. The future development of school libraries is therefore now being assessed very carefully, in relation to its important role in helping to influence the development of our youth and consequently the entire society.

Special libraries exist within many government ministries, to serve the needs of our decision makers. Generally they are computerized and highly efficient. Some of the sectors in which these libraries exist are agriculture, energy, economics and medicine. Strong informal links exist between them, in which resides the nucleus for the development of a fully integrated information network.

Mr. President, Government has an ongoing role to ensure that information is given to the population as early as possible. I turn now specifically to the Information Division. The *raison d'être* of the Information Division [Interruption]—

**Sen. Hosein:** Mr. President, I see the Minister is moving away from libraries. I would like before she moves out of that area if she can inform the Senate how these books are sought. Is there a committee of some kind that selects or buys these books for these libraries or, do we get them as gifts? What kind of mechanism is there in place to make certain that we have a proper mix of the right kinds of books for our children and adults to read? Secondly, could the Minister also state whether books written by Persian and Indian writers find themselves in our libraries?

**Hon. C. Regis-Robinson:** Mr. President, the library services are staffed by trained librarians who have been given training in selections of books. Therefore, when books are being sourced, the librarians, because of their training look for certain types of books. In addition to that, I would not be able to say whether we have Persian authors. I am not sure. However, I can say that once the author is a good author and is someone who can write whether he is Indian or African, his book will find its way into the library system.

*Appropriation Bill (Budget)*  
[HON. C. ROBINSON-REGIS]

*Thursday, December 3, 1992*

**6.45 p.m.**

The other question about whether we purchase books or get donations, is a combination of both. The Government has funds for purchasing books and there have been many very good corporate citizens who have made generous donations to libraries. There are private citizens who have also made generous donations to libraries. In fact, we have both in Tobago and Trinidad, a system called Friends of the Library who have made contributions to the libraries, in terms of books.

With regard to the Information Division, it is established to authenticate and disseminate government information, to aid the process of national development and facilitate communication between government and people. As a consequence of this, the work of the division underpins all ministries. The division must provide public relations support for government's policies and programmes, so that the nation is kept informed. To this end, the division is dependent on other ministries for its information. What therefore, is fed into the division, is what will go out.

In an effort to ensure ease of transmission of information, the Public Relations Unit of the division provides a liaison with government ministries, departments and other public agencies. The unit obtains relevant information which is used by the private media and all units of the division in their programming.

Throughout 1992, the division through its various units, worked consistently towards the achievement of its mission with some success. Successive Governments have been accused of being in the media too often, others not enough and throughout 1992, we, in this Government, have been working on obtaining the right balance. To this end, Cabinet has taken the decision that each Minister should assume responsibility for the public relations function of his or her ministry, and in doing so, should ensure that the appropriate information is selected and appropriately disseminated to the public for their enlightenment on the programmes and projects of government, as it relates to his or her portfolio.

In an effort to ensure that this happens, and that the information given is accurate, ministries will each have a customer contact person who will be responsible for receiving and resolving complaints, and for the public relations functions of his or her ministry. This person who would be responsible to the Minister, through the permanent secretary, will be trained in public relations and will liaise very closely with the designated public relations officer of the Information Division.



Through this liaison the division would provide a better service to its clients; that is the ministries, the private media and the public. The division will therefore provide a consultancy service to all ministries and departments in the pursuit of their public relations functions. Using its facility in the radio and television units, and the press unit, the division would take direct action to disseminate the information obtained; harmonize the approach to the media by all ministries, that is, in the organization of news conferences, media coverage and the like, and process all advertising for its client ministries.

For the purpose of disseminating information, the Government is entitled to one hour per 24 hours of air time on all broadcast media. It has not always been the case, however, that the Government has been able to utilize the time allotted. There has also been an ongoing challenge of making government programmes interesting, for two main reasons. Firstly, so that people's attention is captured and the message relayed, and also, so that favourable times are given by the media houses, which are inclined to give more favourable times to commercially viable programmes.

As a consequence of this, the division has been working steadfastly, towards producing programmes of a higher quality. Notably, three new programmes have come into our television transmissions. These include, "Insight," a 15-minute programme explaining Government's programmes and policies, as they affect the population; "Island Portraits", another 15-minute programme depicting different aspects of life in Trinidad and Tobago—small business development, health and the environment—and a 30-minute panel discussion programme, where ministers are questioned about their portfolios.

The division arranges all Government's large conferences and provided media facilities for both Heads of Government Conferences, ensuring that local and regional members of the media had the facilities necessary to transmit their stories to their relevant agencies. The division continues to provide many services free of charge, and efforts are being made to develop a system of costing materials, notably photographs and video footage, which are given to members of the public who use the materials often without even acknowledging the source to produce profit making films and books.

Additionally, in the library services, books have become very expensive. Yet, persons continue to borrow books without returning them. An examination will have to be made of improving the book collection system. In an effort to meet the

*Appropriation Bill (Budget)*  
[HON. C. ROBINSON-REGIS]

*Thursday, December 3, 1992*

challenge of dissemination, the division, through its integration with the library services and other means, will be undertaking community outreach programmes. That is actually going out into communities and proceeding with face to face communication with members of the public.

Some of the objectives of this service are to develop and maintain a regular channel of communication between government and people in the practical exercise of democratic representative government; to obtain from the people, their information requirements through face to face communication; to seek to satisfy those requirements and to work closely with government agencies and act as a facilitator for the dissemination of information to the public.

The concept of libraries and the Information Division as an integrated service is new. Additionally, the new and wider concept of the Information Division, as being pervasive to development and not simply a propaganda agency is also new.

This is, therefore, a period of transition and consolidation and, as such, an in-house committee has been established to provide for the easy merger between libraries and the Information Division. This committee is working to provide a more powerful and effective information dissemination service.

**6.55 p.m.**

In the year 1993, the Government intends to provide a national information system of the highest quality, permeating the society, relating to the needs of every citizen, utilizing every form in which information occurs to educate our population from infancy to maturity. Consequently, Government intends to harness all available resources to encourage greater participation and productivity in providing a quality-driven community-oriented service that will impact on our society and, therefore, encourage and stimulate growth and development.

Some of the specific areas for development in 1993 are as follows:

- (1) Integration of public libraries, that is, the Central Library Services, the Carnegie Free Library and the Public Library of Trinidad and Tobago, so as to maximize the human and other resources found in libraries.
- (2) Relocation of the library services in San Juan, Siparia, St. James and Belmont.
- (3) Completion of expansion of the Carnegie Free Library.
- (4) Construction of a branch library building at Charlotteville.

- (5) Continued implementation of the five-year strategic plan for libraries and the Information Division.
- (6) Formulation of a national policy on information, using public servants, members of the private media and other interested parties to form a task force.
- (7) Appointment of a council to co-ordinate all information related activities.
- (8) Continued enhancement of the role of the Information Division, setting criteria for Government's assistance to community libraries.
- (9) Training and retraining of staff to ensure higher levels of productivity and quality of service in the libraries and Information Division.

Mr. President, it is recognized that information about ourselves, our history, our environment and the Government will help to create the level of awareness necessary for the development of every citizen—a citizen who understands and can consequently love and protect his country—whose nationalism, based on knowledge and involvement in community, can find the kind of work ethic and the drive towards excellence of output necessary for development. The provision of information is indeed a key component in achieving Government's vision of a quality-driven, caring society.

The Government prides itself on having a clear vision of the society for the 21st century and beyond—a vision in every area of Government. The integration of libraries and the Information Division will ensure that this vision is transmitted to all the people. The Government recognizes that through its information portfolio, it must play a seminal role in translating the vision into reality.

Mr. President, this vision must serve to motivate our people. Our people must be given nation building themes; self-esteem must be built; persons must be encouraged to truly love themselves and their nation, take up the challenge of our motto of discipline, tolerance and production, and assist in moving the country from stabilization to growth. I thank you.

**Sen. Surendranath Capildeo:** Mr. President, as I sat in that other place listening to the hon. Minister of Finance, for some strange reason I had visions of multitudes of anthurium lilies and exotic orchids all wedged between a rock and a hard place. Alas, they bloomed but will not survive. The vision and the bloom will droop, wilt, die and wither away, much like this so-called budget, much like the hon. Minister himself caught as he is between the engineer, Minister of Planning,

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

my good friend, Sen. Lenny Saith, formerly of Trintoplan, and the geologist, now our honourable Prime Minister, Mr. Patrick Manning, formerly of the Ministry of Energy, from whence came Trintoc, Trintopec, Tesoro, Trintomar. It is hard. This poor minister, I said to myself, will droop, wilt, die and wither away. I leave open the question whether figuratively or literally. After all, we may be surprised and he may stand up like a man, but that is not to be. The bird has flown the coop. Gone to Miami and/or Washington. Massa day never did done and now massa day is back with us with a vengeance.

**7.05 p.m.**

There were times, Mr. President, when the hon. Minister looked down at his hands holding his budget speech. I could not help but think of Shakespeare's, *Macbeth*, to be exact, Act V, Scene 1, Lady Macbeth looking at and rubbing her hands and saying: "Out damned spot! Out, I say." How our hon. Minister would love to erase this damn spot of a so-called budget, but he cannot. The deed is done. The blood of Trinidad and Tobago has been spilt and all the perfumes of Arabia will not sweeten the hon. Minister's hands.

Mr. President, in that scene there is dialogue between the doctor and the gentlewoman. Says the Doctor: "You see, her eyes are open." Answers the gentlewoman: "Aye, but their sense are shut."

As I look across the floor at these hon. Members opposite, what do I see, Mr. President? Their eyes are open, but this so-called budget says their sense are shut.

Mr. President, on Friday, November 20, 1992, three events of a cataclysmic nature took place almost simultaneously which rocked to its very foundation our tiny Republic of Trinidad and Tobago. If I could paraphrase *Othello*, "These are portents, but yet I hope they do not point to..." the future of this Republic.

First, Mr. President, on that fateful day the hon. Mr. Justice James Davis, a judge of the highest court in the land read into history and into the Law Reports of our country and the English-speaking Commonwealth the following words about the conduct of our Chief Justice in relation to one of his senior puisne judges.

I quote from the judgment of Justice Davis:

"Against the background of the incident deposed to in Crane's affidavit I have reluctantly concluded that yes indeed the Chief Justice did permit his personal animosity to affect his management of his official relationship with the appellant."

In that very matter, another Court of Appeal judge, the hon. Mr. Justice Sat Sharma also read into history and into the Law Reports of our country and the English-speaking Commonwealth the following words about the high office of the Chief Justice and the hon. Members who hold the high office of the Judicial and Legal Service Commission. I quote from the judgment of Justice Sharma:

"The motivations and intentions imputed to the Chief Justice and other members of the Commission, if accepted, would at once demand that they should resign from their respective positions. Their conduct (if the submissions are accepted) would clearly be regarded as reprehensible, wicked and dishonest."

Second, Mr. President, on that fateful day, whilst these judgments were being delivered in the highest court of the land, in yet another High Court in the very same Hall of Justice, an equally serious drama was being played out. The highest ranking police officer in the history of our country was charged with the criminal offence of manslaughter—the taking of a life of another human being—and was found guilty by a jury of unlawfully killing a man with a 38 revolver.

Third, Mr. President, almost simultaneously with these two events, right here in our own Parliament, in that other place, our hon. Minister of Finance was delivering what he misguidedly said is a national budget, but which in reality is a national disaster.

I ask, Mr. President, just how many more body blows can our already fragile Republic withstand? The nation's resilience is being stretched to the limit. The fabric of our society now looks like a fish net with gaping holes, stretched to the point of being unravelled.

Assume for one moment, Mr. President, with respect to the first cataclysmic event, that there was no right of appeal to the Privy Council, or suppose the Privy Council upheld the decision of Justice Davis, I shudder to think of the language which will be used to describe our local law lords. If such be the case, then I say the administration of justice in this country would be headless in one blow. It would be decapitated and the question will no longer be who will guard the guards, for guards there will be none. In fact, there will be no one to even appoint the guards. The Republic will be facing anarchy and the rule of law will be held together by the spit of the few.

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

Add to this the second cataclysmic event, the conviction of a Senior Superintendent of our Police Service in the light of the recent past of the Police Service. The infamous Scott Drug Report; the La Tinta affair; the trial of former Commissioner of Police, Randolph Burroughs; the introduction of Scotland Yard and the O'Dowd Report and you have a mess of a nation's police service of Augean proportions.

Now, to this poisonous brew add the third cataclysmic event, this national disgrace of a budget. This budget is an illusion, a hologram, unreal and ectoplasmic. There is nothing of substance that is relevant to the immediate day-to-day problems facing the citizenry of this country. It is myth, mythology. This, really, should be termed the Pegasus Budget. You know the legend of Pegasus, Mr. President: In Greek mythology, a winged horse sprang from the blood of the slain gorgon Medusa, when her head was cut off by the hero Perseus.

However, our hon. Minister of Finance is no Perseus. Mr. President, he is more like Harry—not you, Harry—more like Harry in Shakespeare's *Henry the IV*, part 1, Act 4, Scene 1. Permit me to quote:

"I saw young Harry with his beaver on,  
his cushes on his thighs, gallantly armed,  
rose from the ground like feathered Mercury,  
And vaulted with such ease into his seat,  
As if an angel dropped from the clouds,  
To turn and wind a fiery Pegasus,  
and witch the world with noble horsemanship."

Well, Sir, the performance of the hon. Minister with this budget is far from noble horsemanship. It is more like riding an ass and looking backwards. Nobody in this country is going to be bewitched by this budget.

Mr. President, it was Aristotle who said that politics is an extension of ethics, but not so with this PNM administration. The budget has nothing to do with ethics. It is a masterpiece of double-speak.

There are instances in this budget when the artful manipulation of words by the hon. Minister make them sound good, Sir. But when closely examined, you see that it is designed for just that: To read good and sound nice, but to go no further.

On pages two and three of the budget, the hon. Minister touches on the question of responsibility and accountability but fails to deal with the real issue at

hand. Responsibility and accountability, Mr. President, do not mean rubber-stamping. If Parliament as a whole is to account to the population, then Parliament must know the facts before the event and not after, as in the case of this budget. The executive will do what it likes with the people's money and then come to Parliament for approval. This is where the situation is farcical. But there must be parliamentary reform resulting in parliamentary control of the expenditure of the people's money.

Another instance of double-speak, Mr. President, occurs on page 13, when the hon. Minister referred to that grand farce, the grandiose symposium on employment. I quote the hon. Minister:

"That symposium generated several valuable ideas and suggestions for projects, some of which the Government has already begun to implement."

Note, Mr. President, no condescension to go into any details for anyone's benefit. But on the same page, in the preceding paragraph, the hon. Minister has quite forgotten and blandly admits that and I quote:

"The pattern of rising unemployment...rose to 20.2 per cent by June of this year and remains concentrated among our young people."

No matter how the hon. Minister tries to put it, the fact of the matter is that we have the highest rate of unemployment in our country's history among the youth of the nation and there is no solution under this PNM administration.

However, the most amazing example of double-speak, Mr. President, occurs on page 19 of the budget. Here the hon. Minister, in all seriousness said:

"...that perhaps too much emphasis tends to be placed on the annual budget. The annual budget is the operational means of implementing specific policy measures, but its focus is necessarily on the very short-term, that is, the fiscal year. The *Medium Term Policy Framework* allows us to lift our vision to a horizon somewhat longer than the fiscal year and to develop programmes to achieve that vision."

Such beautiful words, Mr. President, well strung together emphasizing that we must go beyond annual planning.

Yet, in the very next sentence, the hon. Minister said:

"...as such, the *Medium Term Policy Framework* will itself have to be revised on an annual basis."

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

All the nice sounding words, phrases and ideas gone through the window. We are back to annual planning. The idea, Mr. President, is that this budget exercise has been reduced to such a farce that it must sound good when read, but when you analyse it, you find it no good at all.

Mr. President, the last paragraph of page 20 contains so many pious platitudes that even the architect who constructed these words about the basic objectives and specific goals of the *Medium Term Policy Framework* must have blushed when the hon. Minister read it. The language comes straight from an O' level or CXC text on economics.

We begin to get serious, Mr. President, on page 21. The final paragraph on that page says:

"Tight fiscal policy, with supportive monetary policy and wage restraint, will ensure the desired improvement in our balance of payments and foreign exchange reserves."

I want you, Mr. President, to remember and hold onto the words "tight fiscal policy". This is a clear statement from the hon. Minister. I want, on this statement, to refer to a text published by the Economic Development Institution (EDI), of the World Bank. The text is *The Open Economy: Tools for policy makers in developing countries*. It is edited by Rudiger Dornbusch and by F. Leslie Helmers. It was published in 1991 by the Oxford University Press for the World Bank.

I refer specifically to chapter 10, by Michael Bruno, entitled: "Opening up: Liberalization and Stabilization". Michael Bruno is a distinguished economist with the Hebrew University. Permit me to quote the relevant passage at Page 231, Sir:

"Liberalization needs to be accompanied by appropriate macroeconomic policies that take into account both the internal and external balance in an economy during transition. If we assume that the reform starts from a position of balance of payments equilibrium, import liberalization in itself will increase the total import bill. If adjustment assistance from abroad is not forthcoming or is insufficient to tide the country over the external imbalance, macroeconomic policy must be geared to redress the balance, through suitable instruments. These could involve..."

and you recall the phrase "tight fiscal policy".

"... a fiscal tightening, combined with exchange rate devaluation to promote exports and measures to keep domestic wages and prices from reversing the



real devaluation. In principle, when there is exchange control, a devaluation could also be replaced by a uniform tariff on imports and a subsidy in exports. If exports alone are to be promoted, a subsidy on exports would have to be based on the value added. If the domestic capital market is segmented or repressed, the pro-export bias can also be supported by investment grants and subsidized print."

The questions which arise and which I now pose to the hon. Minister: Are the exemptions of value added tax on imported capital intensive inputs and the CET tariff range of five per cent to 30 per cent to 40 per cent sufficient to boost exports to pre-empt the coming exchange rate devaluation? Can they and will they level with the population on this score?

I now turn to the last paragraph on page 22 of the budget speech, Mr. President, which states:

"The divestment of two wholly owned enterprises—Trinidad and Tobago Printing and Packaging Company and Farrell House (1975) Limited—is at an advanced stage. In respect of Fertrin and the Trinidad and Tobago Urea Company, first round bids have already been received...Government is also pursuing proposals for the divestment of the Trinidad and Tobago Methanol Company..."

Now, listen to what the learned editor, Rudiger Dornbusch, has to say on this, Mr. President, in chapter 3, entitled: "Balance of payment issue". He says, at page 46:

"Recently, in the aftermath of the debt crises, privatization of the public sector has become an important feature of fiscal policy. There is nothing particularly attractive about selling—or not selling—public firms to foreign investors. If the price is the present value of future profits, then selling off the firms involves trading cash on the barrel for giving up future receipts. Having a fire sale of Public Sector Enterprises to pay off foreign debts is in all likelihood a poor proposition."

This is where I miss my friend, the hon. Sen. Brian Kuei Tung, because we can all remember him recently making a statement and talking about a fire sale and that there was not going to be a fire sale. A remarkable coincidence of words.

Permit me, Mr. President, to quote from the same text, Albert Fishlow, chapter nine, entitled: "External Borrowing and Debt Management", at page 213:

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

"Equity participation also frequently appears in the guise of proposals for wide-ranging privatizations that would exchange loans in state enterprises for private shares. Apart from the internal and political resistance, a central problem with resolving the debt burden in this fashion or as some have even suggested, exchanging debt for direct claims in oil or other natural resources, is the price at which the transaction occurs. If the enterprises are profitable and well run, there is little reason to spin them off, except at a premium, to reflect their quasi-monopoly advantages in developing economies. If they are not profitable, then buyers will want the state to bear the full loss while securing important advantages and converting the depreciated loans at par value and above. In the final analysis, the virtues of privatization would depend on their own merit and would not be predetermined solely by the convenience of easing the burdens of past debt."

I pose these questions directly to both Ministers involved. Is a fire sale going on and are we exchanging our debts for direct claims in our oil and gas resources? Is that the policy of the PNM administration on oil and natural gas now being put into effect? Tell us.

Remember, Sir, that this text is their Bible. It comes from their godfather the World Bank, but we are running into problems because the fire sale of Farrell House has an extinguisher in today's *Express*, page 44. Permit me to quote an advertisement of the OWTU's position on Government's economic policy. This is the kind of problems we run into when there is no parliamentary control over the people's assets. It states:

"The Oilfield Workers' Trade Union has received reports that in the 1993 budget debate the Minister in the Ministry of Finance, Ken Valley, stated that he received the full co-operation of the OWTU in the closure and privatization of two state owned enterprises—Trinidad and Tobago Printing and Packaging and Farrell House Hotel.

The implication, stated or otherwise, was that the OWTU was somehow supportive of the Government's privatization programme. Nothing could be further from the truth."

You see the problems you run into when you do not want parliamentary reform—

**Mr. Valley:** Read the rest of it.

**Sen. Capildeo:** —when you do not want us to know what you are doing and then when you come back and tell us to rubber-stamp it. They will get full-page advertisements like this saying that they did not speak the truth.

**Sen. Ojah-Maharaj:** Read the rest into *Hansard*.

**Sen. Capildeo:** He has the opportunity, \$1.00 for an *Express*, he should buy it and read it.

Mr. President, I continue. I understand—and I do not want to cite the cases—there are four cases of cholera in the hospital today from Guyana, right in Trinidad and Tobago.

Let us return to the subject at hand, Mr. President. We are on their Bible. I turn to page 26 of the budget speech. I quote the Minister:

"The thrust of enhanced fiscal discipline will be made manifest in this budget in which we seek to balance the revenue and expenditure accounts. Emphasis will be placed on enhanced revenue collection and expenditure restraint... This House is already aware of efforts we have been making in respect of administrative strengthening in the Customs and Excise and Inland Revenue Divisions and the VAT office. In addition, we propose to establish a Revenue Protection Agency."

What the hon. Minister does not tell us about is what is referred to in the textbooks as "Demography's Hidden Curse". Permit me, Sir, to refer to Chapter 11 of the same text. It is entitled: "Policymaking and Economic Policy in small Developing Countries" [*Interruption*] When we read, we read thoroughly.

**Sen. Dr. Kuarsingh:** But do you understand?

**Sen. Capildeo:** It is authored by Arnold C. Harberger. It is most interesting, because it links what we have heard in the Senate yesterday with such accuracy that it is uncanny.

"The logic of the case is clear: faced with a dearth of trained talent, small developing countries should organize their government so as to use talent as frugally as possible. Policies should take the form of simple, robust rules that are easy to apply and easy to implement. The hand of the Government, as it impinges on people's affairs, should be even, just and impersonal. Therein lies the rub, however—the inherent vulnerability that stems from the demography of small developing countries... How can relations between the government

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

and its clientele be impersonal when the entire educated elite numbers only a few thousand people? When many of the leadership class are related by blood and marriage? When most of them have gone to the same schools? The officials in charge of the customs office will often have to rule on the customs category (determining the rate of tariff) and the valuation (determining the base of which the rate is applied) of goods being imported by firms owned by their uncles, or by entities (perhaps public ones) in which their cousins are responsible for clearing goods through customs. Not just on rare occasions, but virtually every day or every week tax inspectors will be called upon to question the tax status of their own families, of their friends and former classmates, and of relatives of their friends and classmates. And what about those officials who must decide the location of a new port facility..."

Like Pegasus,

"or must determine the route of a new road or assign licences that can mean the difference between misery and prosperity for recipient firms? It is easy for outsiders to react, as many have, with revulsion at what they see as nepotism, cronyism and corruption. People appointed have ties of family, religion, school, club and ethnicity. They have ties of kinship, background and friendship."

**7.35 p.m.**

The learned author sums up the situation like this:

"One cannot help but admire the artful eloquence of civil servants in developing countries—not just within their own bureaucracies but in international councils as well. The successful bureaucrat in a developing country has a subtler perception of nuances, a more practised capacity to avoid giving offence, a supreme gift, some might say, for walking and talking around an issue without quite meeting it head-on."

It sounds familiar.

"I believe the characteristic traits of administrators in developing countries are no accident but result from a process of natural selection, the facile mind, the easy and ready tongue, the quick perceptions of subtle distinction—even the capacity to invent distinctions on the spot."

I invite you, Mr. President, to read that budget speech, word by word, sentence by sentence, paragraph by paragraph, page by page, and see the easy and ready

tongue, the quick perceptions of subtle distinction, even the capacity to invent distinctions on the spot.

What this means is that we have been under the microscope and analyzed. The world outside there can read us. The question is: Can we read ourselves? It is just not good enough for the Minister to make blind statements about administrative strengthening in the budget speech. He must tell us how he is going to improve our image; that we are a facile lot incapable of meeting issues head-on; a truism that is amplified by this budget.

Mr. President, almost hidden in the last two lines of page 33 of the budget speech is a sentence which gives a clue to the thinking and mechanics of this budget. I quote the hon. Minister:

"In addition, the business expansion and industrial restructuring loan from the World Bank will provide credits to manufacturers who are re-tooling or otherwise streamlining their operations to meet a more competitive marketplace. . . ."

I want to link this statement Mr. President to a statement on page 16 of the budget speech which is as follows:

"Because revenues this year have disappointed, and certain elements of our external financing, most notably the structural adjustment loan from the World Bank will not materialize until early next year, the projected outturn will be an increase in Central Bank financing this year."

Mr. President, throughout this budget there has been a careful pruning of the words "World Bank" and the letters "IMF" almost a determined reluctance not to refer to them; and for good reason.

There is a text to which I have referred once before in this honourable Chamber and to which I think it is necessary to refer to again. The book is called, *Lords of Poverty: the Power, Prestige, and Corruption of the International Aid Business*. It was written by Graham Hancock in 1989 and published by the Atlantic Monthly Press, New York. It is a case study in betrayals of a public trust. It exposes the shortcomings of aid and is serious enough to raise questions about the viability of the practice of international aid at its most fundamental levels.

What the author has to say about the World Bank and its Structural Adjustment Loan (SAL) policy is revealing and frightening.

At page 56 under the heading, "Sectoral and Structural Adjustment", the learned author says:

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

"Quicker disbursing—although still project-oriented—are the Bank's 'Sector Adjustment Loans'. In these, only part of the money is used to meet the direct costs of specific projects while the rest goes to support policy changes in the relevant sector...

Such explicit, sector-wide policy changes are the distinctive feature of Sector Adjustment Loans. What they represent is a desire by the Bank, not only to be an important source of finance, but also play a central role in the decision-making process in developing countries. It is another type of loan, however—the 'Structural Adjustment Loan' (SAL for short)—that this desire achieves its purest expression. The characteristic feature of such loans is that they are completely disconnected from projects, and are disbursed, usually very quickly, in return for major economic policy changes at the national level. Such changes are brought about with considerable analytical support from the Bank and are said to be the result of 'Policy Dialogue'. Particular conditions attached to the loan cover such matters as tariffs (which are to be lower) and other forms of protection (which are also to be reduced) exchange rate management (including devaluation), the government's budgetary policies and the scale of public sector involvement in the economy.

In common with all others SALs, the money is not disbursed against specific purchases but can be used very freely for a wide variety of purposes including importing goods from abroad, paying off old foreign debts or—if the inclination is there—lining the pockets of corrupt Government Ministers.

Whether applied to a single sector or to an entire economy, adjustment loans are therefore about policy. A generous observer might see them as a way of encouraging governments to accept good advice. Others have suggested that they are more like bribes used by technocrats at the World Bank to persuade powerful officials in poor countries to hand over important aspects of national sovereignty—to exchange, in short, national birthrights for a mess of pottage. Others still, doubtful of the Bank's ability to manage developing economies at all, suggest SALs are really a case of blind leading the blind."

At page 65, the learned author sums up the situation as follows:

"In consequence, the World Bank is now seriously suggesting that it should take on the role of a colonial power dictating exactly what should be produced where within its empire...

Increased exports are, furthermore, only one amongst several key objectives of sectoral adjustment. Reduced budget deficits are regarded as being of at least equal importance. Another central purpose of structural adjustment programmes is to achieve greater private sector involvement in national economies. As the World Bank, itself puts it: 'By removing economic activity from the clumsy and inefficient administration of government and returning it to the market place, the elimination of distortions and rigidities will be more readily achieved'."

It has a familiar ring to it. Does it not, Mr. President? We have heard it all before right here in this honourable Chamber—the need to privatize, to return to the marketplace, to balance the budget, to bring in private enterprise.

To find out if we have been sold for a mess of pottage, it is necessary to compare the verbiage on pages 9 to 13 of the budget speech entitled, Review of the Economy, with the truth as set out in the *Inter-American Development Bank Economic and Social Programs in Latin America 1991 Report*, distributed October 1991 by the John Hopkins University Press for the Inter-American Development Bank.

Permit me to quote the relevant passages from page 161 of that report, Mr. President:

"The most probable short-term scenario facing Trinidad and Tobago is continuation of the adjustment process resulting in only modest real growth, especially in view of the fact that early recovery of private investment seems unlikely...Given the under-capitalization of much of the country's private sector as a result of the lengthy recession, future growth will require the resumption of a sizeable public investment program...to secure the public investment program's financing, the government must address the sizeable increase in scheduled external debt servicing obligations over 1992 through 1995—which in turn is likely to require another round of rescheduling...Nevertheless to tackle unemployment and poverty which have worsened in recent years further incentives are needed for labour absorbing agriculture, manufacturing and offshore services, as well as for tourism.

Further measures are required in order to improve Trinidad and Tobago's competitive position. Developing the country's considerable agricultural and tourism potential will call for creative and pragmatic solutions for reducing deep-rooted obstacles."

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

In Heaven's name I ask you, Mr. President, where, in this 58 page 15,000 words budget are the creative and pragmatic solutions?

**7.45 p.m.**

But what of 1992—1993? Here is what the 1992 report of the bank, distributed in October, 1992, has to say at page 173:

"The combination of high real interest rates and the ongoing monetary squeeze designed to stem further reserve loss is likely to affect short-term growth prospectives through its negative effects on private investment. Private sector pay raises are also likely to surpass productivity increases. The trade liberalization process is likely to render some domestic manufacturing activities economically unfeasible, especially in import-substituting assembly and food processing industries. These trends confirm the need for decisive measures to diversify the country's economic base and place greater emphasis on private investment and employment creation, including an enhanced role for foreign direct investment. This would require divestment of public sector interest in the petroleum sector."

We are being sold out, Mr. President. The question is, for how much and just what is our mess of pottage? That is the message of the budget.

Mr. President, I honestly get the impression that had it not been required by law, this administration would not have presented this budget. It reflects a studied lack of interest. In fact, it reeks of sheer disinterestedness by the hon. Minister.

Because of the time-span, I have used merely four texts to demonstrate that the Minister has no control over the budget, and there is a library available to show that we have handed the destiny of this country over to the international financiers.

Maybe that is why I got the distinct impression that this administration is a caretaker administration for the real powers that be. Who they are will be revealed as mega-public sector investment projects take off like Pegasus. It is then we are going to find out who these people are.

The clue to the almost nonchalant approach by the hon. Minister could be found in the revenue-raising measures proposed. These measures are not based on any real sociological research. No thought was given to the impact they would have on the people most affected. You could see the hand of a mindless technocrat at work who was given orders merely to balance the books. There is no



humanity in this budget. When you look at a total expenditure of some \$8 billion, the revenue-raising measures look paltry. The sum expected to be raised is negligible for the suffering that it would cause among the least protected of our citizens. One glance at the 0.25 per cent business levy will tell you that some idiot economist dreamed this one up. The hon. Minister says this measure is expected to realize \$25 million in 1993. It may well do, but thereafter, it will kill off hundreds of small family businesses.

The tax reeks of an ignorance about small business. It speaks volumes for the indifference this Government has for people—real people—and how they have to live, in its anxiety to follow external impersonal conditionalities. The problem is that these textbook technocrats, who could not sell coal to a coal-shop, have no idea of the workings of a family unit involving parents, children and the extended family. These families work 25 hours a day, saving on overheads, cutting costs in every conceivable manner, scrimping, making do with a native ingenuity that cannot be found in any textbook. Would it not have been better, Mr. President, to encourage these citizens to mushroom into large businesses and then seek to bring them into the tax net, instead of introducing this penalty tax which will send many of them under?

But if this measure is not bad enough, what about the home repairs and mortgage interest on owner-occupied properties? This measure must come from the addled brain of a divorced economist/technocrat. This measure is aimed at the "new poor". I will distinguish "old poor" because they poor like hell and cannot pay any tax in any event. Today I heard a new one, the terminally poor. I will distinguish them, because they are dead. The "new poor" are people in the middle class who have been taxed out of existence.

Do you know that according to the 1992 Inter-American Development Bank Report, we are the second most heavily taxed nation in 25 countries in Latin America and the Caribbean, ranging from Argentina to Venezuela, in alphabetical order, because of a lack of basic social services? For example, no proper roads, no transportation, no security, no health service, no proper water service. We could go on and on. But essentially because of the tremendously high cost of just living, both parents in a household must now seek employment to make ends meet. It is these parents whose children go to school in different directions, whose medical and education expenses are sky-high; it is these parents who are being hit hard by this mortgage interest on owner-occupied properties. It is a criminal measure.

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

But what takes the cake, Mr. President, are the measures which, on the one hand, supposedly give benefits for the construction of houses between January, 1993 and December, 1994, and on the other hand, raises the filing fees in the Registry and the stamp duty on land transactions, not forgetting who, apart from the Minister himself, in this blessed Republic, except those with contact, can get a plan passed in several years, far less six months. Where is the logic? How can you increase taxation on land transfers and expect to stimulate this area of business and the construction of buildings?

One glance at the increases in the Real Property Ordinance fees, commonly known as RPO, will tell you that the genius who dreamed this one up has never seen the inside of the Registry of the Red House, has never seen a crown grant or a certificate of title and knows absolutely nothing about the RPO. He or she probably believes RPO is the same as RIP. The Real Property Ordinance is a system designed for cheapness, effectiveness and simplicity with respect to land title, ownership and transactions. It just cannot be used as a measure to raise taxes. That is totally stupid and self-defeating. But how stupid can you get when you put a tax on leases, one per cent of the value, so that people in St. Augustine, Curepe, Federation Park, anywhere there are state lands, people who are leasing from the state, and want to assign that property, they have to pay one per cent of the value in tax. If they want to mortgage it and assign it, they must pay one per cent both ways, on the value of the property. They are going to kill people. Families all over St. Augustine who build houses and who want to transfer them to their children, have now got to find one per cent of the value to give their own families these properties. It is a ridiculous and stupid tax, like people who are mindless. It shows and reveals once again, how far this budget is divorced from reality and is merely a reflection of ministerial indifference to human suffering.

Mr. President, we do not have the time to take this budget apart, page by page, paragraph by paragraph, sentence by sentence, word by word, but it can be done. We do not have the time or the inclination to rub salt in the national wound. The people are suffering enough. This country has come to expect a budget to be in the tradition of a Throne Speech in the English Parliament or a State-of-the-Nation Address in the American Congress. It is supposed to take cognizance of the recent happenings of the past, to muse on the present and to plan for the future. The people expect that a budget is their message of hope in themselves and faith in their nation. A budget should have within itself, the seeds of hope, the seedlings of faith and the fruit of charity. It should spread and shelter like the glorious

samaan tree. Instead, this budget is predicated upon the proposition that the people of this country have lost faith in themselves and in their nation; that we have lost the will to fight and we are content to float on a tide of depression or drown in external conditionalities.

Nowhere in this budget will you find a call to the national spirit to respond to the difficulties of the day; to solve problems using our own native wit and ingenuity; to look for solutions at home first before looking outside. This budget has been done by a stranger looking on from the outside and not by citizens looking from inside to the outside world. I am almost tempted to tell the hon. Minister to go back to his blooms, his anthuriums and orchids, as he may find more foreign exchange there than in this whole miserable exercise of a budget.

What can the people of this country expect for the immediate future? I can tell you by quoting the hon. Minister on page 12 of the budget speech:

"The fact that we have been able to meet our external obligations fully and on time is clearly cause for some satisfaction. This has been achieved mainly through the demonstrable capacity by our citizens to make the sacrifices necessary to see us through this difficult period by restraining consumption, particularly of imports."

**7.55 p.m.**

Mr. President, the people are expected to sacrifice. The country is flooded with exotic imports from tinned tomatoes to second-hand tyres. Our people are exposed to the ultimate in North American and European luxury living via satellite TV, but they must cut down and sacrifice. In the meantime, we have increased our salaries and we ride in imported luxury machines, but the people must sacrifice.

The country is not interested in grand billion-dollar projects. The country is now immune to these pronouncements. The country wants the tension eased in areas of daily pressure. It is an alphabet of complaints. To mention a few: Crime—which I shall come back to because it is the most important one—drugs, education, food, health, housing, incomes, roads, security, suicides, transport, vagrants, water. That is what daily life is about and these are the just wants that the Government must provide for.

Mr. President, the statistics on crime are so horrendous that we need to look at them. Between January and August, 1992, there were 67 murders; 281 woundings

*Appropriation Bill (Budget)*  
[SEN. CAPILDEO]

*Thursday, December 3, 1992*

and shootings; 155 accidents that caused danger to life; 178 cases of rape and incest; 59 natural offences and serious indecency; 5,170 cases of break-ins; 2,340 robberies; 1,164 cases of larceny; 239 cases of larceny of dwelling houses; 616 cases of possession of narcotics for trafficking; 8,530 cases of larceny and receiving; 1,985 cases of larceny of dwelling houses; 555 cases of praedial larceny; 216 cases of people found on premises for unlawful purposes; 801 cases of unlawful wounding and inflicting; 874 narcotic offences. And you have a Minister getting up here and saying we shall sleep with our windows open. These statistics are horrendous. It is only one example which I can use because of shortage of time.

Mr. President, I want to touch on two small questions before I come to an end. The question of Servol for which I congratulate the Minister. But while he is looking for moneys for Servol I shall also ask him to look into the question that the time when Servol made the application for those schools, other denominational institutions made similar applications—the Muslim, Presbyterian, Anglican and Hindu. I speak from what I know. The Maha Sabha had 32 schools for 32 applications so that when you are looking for money to finance the Servol application, I ask you to bear in mind the question of equality of status and that all the other religious denominations also get equality of treatment. They are all in the same business of educating our small children throughout the length and breadth of the country.

Mr. President, I also called on the Minister for a clear statement in response to Sen. Dean. What is the true intention of the Government with respect to credit unions? Are they going to be treated like banks? We on this side want to know. Are you going to bring them under the Ministry of Finance and subject them to normal banking regulations? We would like a clear statement on that tonight.

I end with a quotation from Edmund Burke:

"Government is a contrivance of human wisdom to provide for human wants. Men have a right that these wants should be provided for by this wisdom."

I make bold to say that we on this side, as I have just demonstrated, have an abundance of that wisdom. I thank you, Mr. President.

**The Minister of Local Government and Minister in the Ministry of Finance (Hon. Kenneth Valley):** Mr. President, I want to start by congratulating and thanking all those who participated in the debate in this House. I must say that I was really impressed by the level of the debate. I was in this House some time

earlier this year, and I can say with all honesty that I have found the debate to be rather enjoyable. I have learnt quite a lot.

As you know, this is the House in which I cut my teeth, as it were. My hon. Friend, Sen. Capildeo is now sitting where my Friend the former Sen. Montano sat. I thought that Sen. Montano was exciting but, I see, Sen. Capildeo is getting better here, Mr. President. I have noted especially, the contributions of Sen. Mansoor, Sen. Spence and of course, Sen. Mahabir-Wyatt who made the sterling plea for Servol. I think that is what we are all about. Politics is nothing more than the interplay of various interests. Of course, there were those who thought that they should use this forum to practise their acting skills or perhaps, their speaking skills.

Mr. President, there are about 12 or 14 issues I want to comment on rather quickly. The first one is the whole issue of accountability which was raised by a number of Senators. My colleague, Sen. Draper, dealt with the issue within the context of public service reform in dealing with the concept of value for money.

For some time now, since the beginning of the year, the responsibility of the executive to the legislature has been an issue in this Senate. In the other place there was debate with respect to the Joint Select Committee to monitor Government expenditure which was defeated. Nevertheless, the issue continues. We heard a while ago Sen. Capildeo making the point that parliamentary control is after the fact and that Parliament needs to know before the fact what we are going to do. The fact is, it is the Appropriation Bill which informs Parliament and the national community what Government plans to do. Quite simply, the budget sets expenditure limits.

In other words, the Government can come in under those limits, but if the Government wants to exceed those limits, the rule says that it has to come back to the House to seek a supplementary appropriation. I think it was Sen. Daly who made the point that supplementary appropriations are *ex post*. That is not a fact. If one needs to exceed the limit imposed by Parliament, one has to come back here and seek approval for that. The cycle starts with parliamentary appropriation.

### **8.05 p.m.**

Sen. Mansoor went on to make the point that Parliament approves expenditure, but in certain situations, Government does not spend the money and of course, the service is not provided and so on. Then he went on to say that part of the problem is really that sometimes Government plans for revenue which it

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

does not get. His third sentence told me that he understood the situation. Then he said that he understands the problem involved in projecting revenues in some situations, for example, in the case of the petroleum sector. That was basically the situation.

In fact, if one cannot project revenue right on, then obviously, actual expenditure in a year may be different from budgeted expenditure. Normally, the rule is that as long as one is within a 10 per cent guideline that is good. In a situation like 1992, for example, the Minister of Finance made the point that revenue was off by about \$352 million.

Quite simply, I am making the point that the concept of accountability starts with the budget, and it completes the cycle with the Public Accounts Committee. As a fact, we have said it, time and time again that the Public Accounts Committee may not be functioning and I think that may be part of the problem. The Public Accounts Committee has not been functioning properly. That is owing partly to some of the Members of the Committee. Parliamentary Members are busy people and they miss meetings, so that there is the situation where for example, accounts are reviewed long after the fact.

It seems to me that what we need to do is to correct that situation to complete the cycle of accountability. Bearing in mind what is happening in the Office of the Prime Minister, Public Administration, given what we are doing there, the move towards strategic planning; the move towards management accountability and the move towards value for money concept, we need to pack that with an efficient Public Accounts Committee, so that the Government's expenditure can be monitored.

I know in the other place we had spoken about the fact monitoring. I do not know how that will happen. I said in the other place, and I say it here again, we are quite willing to talk with the Opposition to try to understand what they need. How are they going to have this before the fact monitoring?

In the United Kingdom, some time in 1979, there was a select committee which looked at the same question of monitoring government's expenditure. About 14 select committees were established in 1979 to look at the different departments, to give backbenchers as it were more power to look at what government is doing.

In reviewing the situation, I think around 1989, this is what these writers, Griffith and Michael Wood Wryle said:

"Select committees have not made a general impact on government's policy, nor can it be said that departments today are making policy decisions in a distinctly different way from that of 10 years ago, because of the existence of the departmentally related committees, or because of any increased pressure from other select committees.

Still less, has there been any general change in substantive decisions. Ministers in their departments have always taken into account what is likely to be the response from Members, and from peers, as they take into account the public's response. There has been no marked difference of a general kind in recent years."

That is the first thing that the select committee asked for. In England, the home of democracy, the Westminster system, it has not shown any marked difference.

Quite different from another author, I think it was Jurey who was making the point, that even with all of those committees, the public accounts committee in the United Kingdom stands out as the one that really caters for the monitoring of government's expenditure.

We continue to make the point that we are willing to speak with the Opposition and also Independent Senators, on this whole question of accountability, because we are committed to have high levels of accountability in public life. It was with that in mind, the Government decided early this year to relax the requirement of state enterprises to have the accounts audited by the Auditor General, but at the same time, increase the level of accountability for the state enterprises.

In a statement, which I delivered in the other place on September 10, 1992, I made the point that:

"Effective immediately, a state enterprise may appoint any private firm of accountants as its auditors. If the firm so chooses, it may appoint as its auditors, the Auditor General of Trinidad and Tobago."

Later on in the statement I made the point:

"In keeping with Government's investment policy to facilitate commercial activity while retaining interest in strategic companies, the Government proposes to establish appropriate mechanisms to conduct management performance audits, of those state enterprises which are to be retained, and also to undertake where necessary, technical audits and valuations of those companies which are being divested.

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

Government has also agreed that they be required by the Minister of Finance, to publish the accounts of the first six months of their financial year, within three months of such period, and the annual accounts, within three months of the close of the financial year.

The Minister of Finance will make arrangements for the laying in Parliament of the annual audited accounts of state enterprises, and also annual audited accounts of those companies in which the Minister of Finance, Corporation Sole, has a 25 per cent or more shareholding.

This new initiative in public accountability will create the environment for state enterprises to improve their productivity, their efficiency and the financing of their own investments.

Additionally, the availability of these audited accounts will be extremely helpful and beneficial to the national community, including potential investors both local and foreign."

That is with respect to state enterprises.

More than that, in the Ministry for which I have responsibility also, the Ministry of Local Government, I think only today, I received an audit of the Arima Borough Corporation, because in that Ministry, some time ago, Cabinet agreed to the structuring of a management audit division to review the performance of the various corporations, and to assist them in putting that structure in place and looking at the whole concept of value for money. Quite simply, it is the direction in which the Government is moving, especially in an environment of scarce financial resources, one has to ensure that one gets value for money.

I think the other issue of accountability was a valid point which was raised by Sen. Daly. He made the point that we ought to provide more information to Parliament; that when we are dealing with large contracts, for example, when we sold Farrell House or Printing and Packaging, then we ought to lay certain information in Parliament.

I must confess that I was under the impression that when we make a statement in the Lower House, that Members of the Senate would also receive copies of that statement. I understand that is not so. We would have to put a procedure in place, because with respect to Farrell House, Urea and Fertrin, and Printing and Packaging, those transactions were reported in the Lower House. Of course, we



would strengthen that system, but for the benefit of Members, Farrell House seemed to be an issue.

**8.15 p.m.**

Mr. President, for the benefit of Members, let me say that we made a decision to divest Farrell House (1975) Limited in March of this year. In March 1992, Cabinet agreed that the Minister of Finance engage the services of a competent firm to advise the Minister on the best mechanism for disposing of Farrell House (1975) Limited and submit proposals for the consideration of Cabinet within a period of two months. Pursuant to that decision, the board of directors of the company was reconstituted in July, 1992.

What we have done, Mr. President, is that we have set up a divestment team in the Investment Division of the Ministry of Finance and, quite simply, whenever we decide that we are going to divest a firm, the first thing we do is to change the board of directors and put this divestment team as the new board, to prepare the firm for divestment.

That divestment team is headed by Jerry Hospedales of the Central Bank, with Jackie Quamina-Cherrie, a lawyer, and William Daniel, Director in the Investment Division of the Ministry of Finance, as board members. It is really a three-member board.

We put them in charge, as we did in the case of Farrell House. They sought bids from a number of accounting firms to perform advisory services for the divestment of the company, and they engaged the firm of Mark, Costello, Toney and Company, as financial advisers.

On August 21, 1992, the board of directors of Farrell House (1975) Limited circulated an information memorandum to potential purchasers, which invited interested parties to submit bids for the purchase of the company, by September 11, 1992. This memorandum was distributed both locally and regionally and advertisements for the sale of Farrell House (1975) Limited were placed in a certain regional newspapers in Antigua, St. Lucia, Barbados and Jamaica.

On the request of a number of potential buyers, including regional buyers, the board extended the closing date for the submission of bids to September 25, 1992. Mark, Costello, Toney and Company, the financial advisors to the board of directors of Farrell House (1975) Limited, with respect to the proposed sale of the company, received three proposals for the purchase of the company as follows:

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

- (1) Energy Consultants Limited, which submitted a proposal to lease Farrell House (1975) Limited for a period of 25 years on the following basis:
  - (a) Takeover existing financial liabilities, subject to the existing terms and conditions, up to a maximum of TT \$4 million;
  - (b) Pay a quarterly rental rate to the Ministry of Finance in accordance with the following:
    - the first three years of rental—\$90,000 per quarter
    - the second three years of rental—\$120,000 per quarter
    - For each additional quarter thereafter—\$150,000;
  - (c) In addition to the quarterly rental, Corporation Sole will share equally in five per cent of annual profits of the company, providing the profit should exceed 10 per cent;
- (2) Hotel Normandie Consortium, which submitted a bid for \$4.8 million for the assets or shares of Farrell House (1975) Limited in the form of an immediate payment of \$480,000, representing 10 per cent of the purchase price to be paid on acceptance of the offer, the remainder of the purchase price, an amount of \$4,320,000, to be paid on or before the expiration of a period of two years commencing on the date on which an agreement for sale is signed. Additionally, the consortium requested a six-month period for the purpose of concluding a mutually beneficial agreement for five years between the representative union, Oilfield Workers' Trade Union, and the company.
- (3) Grafton Beach Resort, which submitted a bid of \$2.5 million, with payment to be made immediately.

The Board of directors, in order to assist in its evaluation of the bids, had at its disposal an independent professional valuation of the company's assets as follows:

Hotel with 10 acres of land—\$4,029,000

Eight acres of land for development—\$640,000

Total market value—\$4,669,000

On September 28, 1992, the board of directors, on the advice of Mark, Costello, Toney and Company agreed that the bids were not entirely satisfactory as they preferred a mix of cash and deferred payments, which appeared low in

relation to the valuation in paragraph six. In addition, the board was of the view that the bids raised issues which required clarification. The board therefore agreed to interview each bidder with a view to clarifying certain aspects of the proposals and, at the same time, ascertaining whether, in the context of the clarifications, the offers made were indeed the best that the bidders could make. The board also agreed that for the duration of these interviews, it would not actively solicit new bids, but if bids were received, they would be considered.

Subsequently, two additional bids were received, as follows:

- (1) Mr. J. Mahabir, who submitted a bid for \$1.65 million for the purchase of the entire property, free from all encumbrances, with a 10 per cent deposit and the balance to be paid within 90 days.
- (2) Royal Hotel, which submitted a bid for \$4 million, subject to the utilization of tax losses by the company, settlement of all termination and other employee benefits, approved hotel status to be granted and indemnity from the Government for all contingent liabilities.

Interviews with potential Purchasers: During the period September 29 to October 2, 1992, the board of directors held discussions with the five bidders referred to above. At the five meetings, Mark, Costello, Toney and Company was present and assisted in clarifying a number of issues which were raised by the five bidders. The board informed all the bidders of the policy framework within which the bids were to be evaluated. In particular, attention was drawn to the decision by the shareholder:

- (1) To assume all the recorded liabilities of the company including contingent liabilities at the conclusion of the sale agreement.
- (2) To sever all employees, if required by the new owner, and to accept responsibility for all severance and other benefits under the Severance and Benefits Act of 1985; and
- (3) To seek the Board of Inland Revenue's approval for the future utilization by the new owner of the accumulated tax losses.

In addition, the board advised all the bidders that the shareholder preferred the full payment in cash, prior to possession of the company and that the cash payment of \$9 million for the sale of assets and shares of Farrell House (1975) Limited would be considered by the board to be an acceptable offer.

Revised Proposals: The board of directors requested the five bidders to reconsider their offers and resubmit them by October 9, 1992, if they so desired.

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

On that day, Mark, Costello, Toney and Company advised that they had received three revised bids. However, one potential purchaser had requested an extension to Tuesday, October 30, 1992 to allow him to liaise with one of his business partners who was out of the country. They had not heard from the other bidder. The board agreed, in consultation with Mark, Costello, Toney and Company, that the auction process was intended to obtain the best bid possible and for that reason, the bids should not be opened until all potential purchasers were given the opportunity to re-evaluate their bids.

**8.25 p.m.**

In the circumstances, the board agreed that the integrity of the auction process would be preserved if the bids received remained sealed and subsequently all opened at the same time. The board, therefore, agreed to meet on October 14, 1992 to open the bids. The responses were as follows:

- Energy Consultants Limited, cash payment of \$4.8 million and assumption of the Industrial Development Corporation loan in the amount of \$3.3 million.
- Royal Hotel (1978) Limited \$4 million to be paid within 60 days after finalization of the purchase agreement.
- Grafton Beach Resort, cash payment of \$0.7 million and assumption of the Industrial Development Corporation Loan in the amount of \$3.3 million.
- Hotel Normandy Consortium, \$5 million to be paid over a period of six months.
- Option III, \$4.8 million to be paid over a period of two and a half years.
- Mr. J. Mahabir chose to maintain his original bid of \$1.65 million.

Evaluation of bids received: The board of directors held a meeting on October 16, 1992 at which the revised bids were again evaluated. Mark Castillo Toney and Company, after evaluation of the proposals at appendix I recommended that the proposal submitted by Energy Consultants Limited to purchase Farrell House (1975) Limited, being the most attractive, should be accepted for the following reasons:

- (1) In absolute terms the purchase consideration is the highest, \$8.1 million.
- (2) In terms of cash payment by itself, the proposal contained the highest offer, \$4.8 million.

(3) In terms of immediacy of payment, the cash payment proffered is the best. I do not know if I need to go further, Mr. President, but, you see, quite simply, I saw an article in the *TNT Mirror*. [Interruption] We talk about transparency in divestment and I would like to improve the transparency. If we have to bid in the open, let it be truly open so that the whole of Trinidad and Tobago can see.

**Sen. W. Mark:** Can the hon. Minister say whether that document will be made available to all Senators?

**Hon. K. Valley:** This is a Cabinet document, the information can be made available.

Mr. President, I wanted to deal with Urea and Fertrin to deal with the concept of transparency. Again, I can make the information available.

Quite simply, as we know, Mr. President, Fertrin is a joint venture, we are in with Amoco. The Government decided to hire someone to assist in the sale. I can tell you that so far we have received a number of bids for the Urea/Fertrin complex. We have gone through the first round bidding process. Right now we are preparing for second round bidding. Again, I can supply the information with respect to transparency.

I want to deal with Iscott/Ispat. Sen. Daly is not here, but he wanted information with respect to the lease arrangement with Ispat. These are the lease documents. This is the first lease document with CIL, Iscott and Government. This is the lease agreement between Iscott and Ispat. I will just go through quick points, Mr. President:

- Article 1.47 on page 15 of the lease agreement between Iscott and Ispat. The term shall mean the period of 10 years from the takeover date of May 1, 1989, from which the lessee commenced operation of the plant.
- Article 3.11, lease payment of US \$10.8 million per annum.
- Article 5.11, continuation of employment of employees, maximum of 780 for the duration of the lease.
- Article 9.4, the lessee is allowed to make improvements to an aggregate of US \$12.2 million.
- Article 15.2, supply of billets to downstream re-rollers.

That agreement says that they are also supposed to supply 60,000 tonnes and if the plant were to produce in excess of 42,000 tonnes per month, then they would have

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

to provide an additional amount, Mr. President, making a total amount 112,000 tonnes per month.

- Article 16.1, option to purchase the plant assets after the fifth year of term, purchase price to be based on valuation.

The lease agreement sets out quite clearly the option that Ispat has any time after the fifth year, they can purchase the plant based on an independent valuation. We have looked at that. It seems to be rather tight. Lessor shall have the right to terminate if lessee fails to perform obligations under the lease including non-payment of lease payment on the giving of 60 days' notice.

**Sen. Spence:** Was there not a rather important clause that Ispat would repair and deduct from the rental payment and thus reduce the rental payments subsequently?

**Hon. K. Valley:** There is a provision that would allow Ispat, I think it is up to a limit other than normal maintenance—it is not normal maintenance. They would be able to deduct capital improvement.

**Sen. Spence:** From the lessee's payment?

**Hon. K. Valley:** Yes.

There was an issue, also, Mr. President, with respect to BWIA, by my Friend, the shadow MP for Diego Martin. But after listening to my Friend, Sen. Kwabene, I mean, I do not know, the point he was making, quite simply, is that nobody wants BWIA. However, the company attempted in a number of situations to get into an arrangement with a number of persons, Delta, US Air and so forth and really nobody wants BWIA. That is understandable, Mr. President, because the story with BWIA is not easy. There is an interministerial committee looking at the situation. We believe that we have to take certain actions.

The Senator mentioned the fact that there are certain persons—this group in the United States, 2,000 signatures. Really, I would prefer and we are prepared to divest BWIA to Caribbean people.

**Sen. Kwabene:** Would the hon. Minister indicate in the restructuring whether or not the imbalance in terms of the ethnic overload would be addressed? I am speaking about people who are employed in the United States of America who are of a particular background.

**Hon. K. Valley:** I do not understand ethnic overload. Mr. President, in the United States I understand there are about 240 million persons. If it is black people he is speaking about, they are about 10 per cent. So there must be ethnic overload.

I hope I have dealt with that issue about accountability. Quite simply, we are willing to talk about it, to improve transparency in our divestment procedure and to provide the Parliament with more information concerning what we are doing.

I want to deal, Mr. President, with the issue of the estimates. That is where my Friend Sen. Mansoor spent quite some time and I was making the point that there would be a difference in the budget and the actual expenditure if, in fact, we cannot project revenue right on. Parliament gives us the authority to spend up to a limit, and as long as we do not cross that limit, we are doing well. To the extent that we put more value for money auditing and improve the efficiency of the governmental operations, we are going to be seeing more and more of that. But let me deal with some specific issues.

Sen. Mansoor was concerned with the extraordinary revenue of \$528.3 million. Again, I think he has the answer for that. That is a budgeted figure with regard to the proceeds of divestment for 1993. As you know, we have Urea and Fertrin. Cabinet has already taken a decision with respect to minority interests. I can tell Sen. Mansoor that there are 15 companies in which Government has a minority interest, ranging from Neal & Massy, Holiday Inn, Angostura Bitters, Maritime Life, Trinidad Cement Limited and of course there are some regional companies.

We plan in 1993 to have a programme of divestment, divesting our holdings in those companies and there one would see the use of the concept of widest possible participation, because we are right now structuring that to ensure that there is as wide as possible participation in our divestment of that interest. That is what that \$528 million is, in fact, the extraordinary revenue. There is also Arawak Cement Company, in Barbados.

There was also the issue concerning dividends. The item moved from \$83.3 million in 1982 to a budgeted figure of \$203.7 in 1993. But let me say that Cabinet recently approved a dividend policy. Quite simply, the companies National Gas and National Flour Mills and so forth, had no dividend policy, so they feel to give their shareholders—corporations, \$5 million; so they give them \$5 million when they are really making money.

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

We looked at it in investment and we have become quite active. Cabinet agreed to a new dividend policy in September and we considered a number of issues; the liquidity of the company, the legal restrictions in bond indentures or loan agreements; the control and dilution of the stock; the dividend stability issue; the company's ability to borrow; tax effect and so forth. After due consideration of these issues, Cabinet agreed that *inter alia*, profitable state enterprises should be directed to pay dividends, the quantum to be determined after consultation among the relevant state enterprises, the Ministry of Finance and the respective line ministries.

Secondly, the balance sheet of those profitable companies reflecting accumulated losses be restructured to remove those losses. Because that was the other problem: There were some state enterprises which are profitable today—Fertrin is one of them—but there was an accumulated loss, and in old English accounting, as my Friend would know, a company cannot distribute or pay a dividend if there is an accumulated loss. So Cabinet took the decision that we would restructure the balance sheet to eliminate the loss so that we can put the company in a position that it can start paying dividends. That is quite simply what we are doing. We are taking a very active role.

I have got the estimates of dividends from the various companies. I can pass that on to you, but in the interest of time, I will move on.

Item four, the Students' Revolving Loan, again quite a good question, where the item increased from \$32,600 in 1992 to \$21 million in 1993. This is really a very simple one. The Students' Revolving Loan Fund has been funded historically by loans from central government. The fund now has an accumulated balance of \$23 million representing repayments by students. So that the students have repaid \$23 million, which is sitting as a balance of the fund. All we are really doing is taking our money. Money is sitting there that is supposed to be Government's money and all we are really doing is taking \$21 million out of the \$23 million that has already been repaid. Of this sum, \$21 million would be refunded to Government in 1993. This would leave an additional \$2 million for continued disbursement to students.

Taxes on property. This is my Friend, Sen. Wade Mark's point and, quite simply, on this one we goofed. First of all I should say it was considered early in the year when we set up this fiscal committee to look at a number of things. I will be coming to that in a moment. But that committee looked at the issue of lands



and buildings taxes and they were advising that we should increase the rates and so forth. They advised that we ought to have this minimum level in the municipalities, \$96 in Port of Spain, \$72 in San Fernando and so forth.

That recommendation was not accepted by the Minister, but inevitably got into the Provisional Collection of Taxes Order. Simply, I want to give my Friend the assurance that we are true to our word and that when we are confirming the order in the other place, which we plan to do next Thursday, we plan to have that corrected. So it is not a "sleeper". We do not do things in the dark. We come up front every time and that is how we plan to manage our affairs. But let me thank you, at the same time, for pointing it out.

**Sen. W. Mark** Is the hon. Minister indicating to this House that the land and building tax, as obtained in the Provisional Collection of Taxes Order was an accident and therefore they are going to withdraw it? So the property taxes would not be increased in the amounts.

**Hon. K. Valley:** As we said quite clearly at page 44 of the budget speech, quite unequivocally, that the existing rates of property taxes will remain unchanged in 1993. Government continues to abide by that commitment.

**Sen. Mansoor:** Mr. President, would the Minister be kind enough to tell us whether or not Government still believes its estimate will quadruple the amount of lands and buildings taxes from \$40 million to \$160 million?

**Hon. K. Valley:** That is the next issue I am coming to. Let me tie that in with the same page 44. I will deal with the \$80 million first, because the increase of \$120 million is composed of \$40 million by assessment and \$80 million by collecting what is due. In other words, part of the administrative reform.

At the top of page 44, we said we propose to extend by three years the time in which the new assessment rolls for lands and buildings taxes will come into force. In the intervening period, we shall continue to reassess all existing properties under the assessment roll, which was instituted in 1978. The existing rates of property tax will remain unchanged at this time. This measure is expected to realize additional revenues of \$40 million.

On administrative reform, on page 48, we spoke about the \$80 million: "Similarly, Madam Speaker, in the area..."

**Mr. President:** Are you quoting?

**Hon. K. Valley:** Yes, I am quoting, Mr. President. I am quoting from the hon. Minister's contribution:

"...of property taxation, we intend to pursue vigorously those persons with substantial arrears to the central government. We expect this effort to yield \$80 million."

I have that here and perhaps we can look at it. That explains another issue that Sen. Daly raised, because he was making the point, why it was not showing any income from Ispat via the lease rentals.

Quite simply, Ispat pays Iscott, because the lease is between Ispat and Iscott. Iscott has certain expenses. What happens is that after paying expenses, really, nothing remains. As a matter of fact, there is a subvention to Iscott to pay their loans and so forth. What has happened, however, is that Iscott owes \$35 million in property taxes. The Minister of Finance is saying, quite simply, we want our money. If you look under "expenditure", there is an amount provided under Draft Estimates of Development Programme for the year 1993. On page 29, under head 18, you will see under "debt servicing" an amount of \$85,674,490 is included there. But included in that \$80 million which is \$35 million supposed to be coming in from Iscott. T&TEC, Centrin and Ispat have some to pay. That explains the \$80 million.

The subvention to Servol, my two colleagues, Sen. Ojah-Maharaj as well as the Leader in the Senate dealt with that issue. Let me say I feel, just like my colleagues on this matter. As you know, in Diego Martin, we were able to arrange a library, really, on a self-help basis, somewhat akin to the work of NGOs. I am always enthused with the type of work that could be achieved simply by getting people together and getting them directed.

As a matter of fact, this afternoon the Central Library is taking over the library in Diego Martin and I was unable to attend that function. There is a certain affinity with a library; it was a good project.

Moving on, there was an issue with respect to the concept of a balanced budget and, really, Mr. President, the concept is simply above the line and below the line. Yes, the overall expenditure, as we said quite clearly in the budget, is some \$8.4 billion, but in terms of accounting, there is the revenue and expenditure, recurrent as well as capital, that balances. Then there is the financing. Somebody else raised the point that they could not understand how we could have a balanced budget and still borrow. Well, quite simply, the balanced budget is

above the line and the borrowing is really a refinancing. There are certain obligations which fall due this year, we are stretching that out. In effect, we are taking advantage of low interest rates, but more than that, we simply do not have the money to pay.

This is another interesting thing, Mr. President. Listening to the debate reminded me very much of that calypso that Sparrow sang, "The little boy with the donkey". Should you go up, should you go down, should you be in front, should you be behind? Because, really, everybody is looking at the thing from his or her point of view and rightly so.

The job of the Government is to look at the national interest whereas every individual would be looking at what is happening to the credit union, to business and to politics. The Government's job is to look at the national interest and say "listen, this is what we need to do". Yes, we are refinancing the debt obligations which fall due in 1993.

The \$100 million bond, how much remains with the underwriter? Mr. President, quite simply, I do not know and more than that, I really do not care. When we go out in the market, we ensure that we get a fully underwritten offer. Obviously, for that privilege, we may have to pay a few basic points higher, but that gives us the security that come what may, we are going to get that money.

Mr. President, you would remember that the issue was supposed to be closed in June. But given the state of the market, the underwriters spoke with us, we said "fine, we will postpone it until later on". But the fact that he would accept the offer means quite clearly that he feels that he can sell it off even over time in the secondary market. So I do not understand that concern, Mr. President. What I could say is that we received the money and for that we are extremely happy and grateful.

I think it was Sen. Teelucksingh who made the point that it was like meeting a lion and running from a lion into a bear. I do not think it is the correct analogy. I think it is more like from a tiger cat to a tom cat.

Was it not he who was making the point, another way, talking about moving from institutional lending to market lending? The point that must be noted is that when you get to the institutions—the IMF and the World Bank and so forth—as all of them continue to say, they have the most stringent conditionalities, because you get there because you cannot be a market borrower.

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

So that you want to move from that position as quickly as possible. They have been making the point and it is a fact. It is a situation we came and we met. We were into the World Bank—thank God the IMF had gone by the time we got in—but they have their conditionalities, we owed them and for five years we were unable to go to the market so, faced with that situation, yes, there were some things we did not like. This is why the Minister of Finance and the Minister of Planning and Development would go to Washington, sit with them and say there are some things we can do and there are some things we cannot do. But most of them are things that we should not have waited for people to tell us in the first place. That is the point.

Also, Mr. President, there is the argument concerning structural adjustment and monetarism. Some of us confuse ourselves. I listened to my Friend Sen. Wade Mark and after speaking for an hour, he said, "John Kenneth Galbraith is making the point that monetarism is dead". As though he did not even understand what he was saying, because basically there are two schools: There is the monetarism school and there is the structuralism school. The structuralist says that you have to look at the fundamentals, the structure of the economy—fundamentals. Monetarism says that monetary policy can be used as the key ingredient. Whichever school it is, there would be monetary policy. But the monetarist uses monetary policy solely.

The fact that this Government is using high interest rates, tight money policy, does not mean that it is following monetarist policy. It is still basically structuralist.

**8.55 p.m.**

Quite simply, it is the prevailing thinking. Later on, Mr. President, you would see that when you look at some developing countries the research seems to indicate that it works. Now, it will work in a situation of deep recession; you know, we have been in a recession—downturn in the economy—for quite some time. The monetarists, and the best one in Trinidad perhaps is my friend, the Member for St. Augustine. Perhaps, if we are just coming off a boom and we are just taking a dip. In other words, the monetarist policy will deal with the little cycles. But when one's economy really moves to a new level, perhaps you have to use the structuralist approach. This has nothing to do with World Bank, IMF, and so on, or even right wing and left wing. It is simply what you follow—economic thinking. Basically, that is what it is.

I want to move quickly to incentives for growth, another issue raised by some Senators. Perhaps, I can tie this in with what I have just said. Some people are asking whose agenda is this. They are saying you have to take instructions from other people.

This is a speech delivered by the political leader of the People's National Movement at the party's convention on Sunday, October 9, 1988. In that speech we started talking about PNM's economic policy. We were saying:

"The economic imperative for Trinidad and Tobago is the development of a plan of action, the implementation of which will stimulate economic growth and lead to the transformation of the economy to make it more resilient and less oil dependent. In other words, there is a need for a return to economic growth and development after the setbacks of the last few years.

Whatever strategies are planned for any sector of the economy must have as their aim the establishment of an environment conducive to economic growth and transformation. However, we must at all times ensure that the less fortunate in the society are given some minimum level of protection in the overall planning framework."

That has been our thinking then, it is our thinking today, and it is what informed our manifesto with respect to economic policy. When we looked at it we thought that, look, we have to be outward looking. We have argued, time and time again, that our base market—it is a point raised by Sen. Mansoor and, I think, Sen. Daly. All over the world the business people would look at a base and export only on an incremental cost basis. I have made the point before that in Trinidad and Tobago we cannot afford that luxury; that really, the base is out there. We are too small—1.2 million people. There is no base in Trinidad and Tobago that can support that type of business strategy. The strategy that our business people must pursue is to look externally—those markets have the base—and any incremental cost must be for Trinidadians. This is my argument with Ispat, that it cannot price to downstreamers at a higher price than they can get abroad because we just do not have the base here. When one comes here one must be outward looking; that is your market out there, not this. We have gone from that mode. We are no longer in the 1970s. No longer are we looking for industrialization by invitation. So that we are clear on that. We feel that we have provided incentives.

Some people have argued also that there is nothing in this budget—I think it was Sen. Dean who made the point—with respect to savings. Last year, that was

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

the first thing we did. We brought back the tax-free bond and we allowed \$50,000, 25 per cent credit. So, we put that in first. We increased the credit with respect to credit unions and the Unit Trust—critical elements in our short-term policy. We said that.

Now, there are others that we would have liked to do. That is fundamental. When we get into Government we have to talk with the technicians. There are others which we would have liked to put in. We would have liked to move on exempting some part of interest income from taxation, but our advisors tell us that if we do that it is going to cost about \$50 million, and we cannot afford it at this time.

I can tell you what we will do very shortly. Very shortly, we plan to reduce the tax on interest on bonds for individuals to 15 per cent. In other words, moving again to a system of deduction at source. Whereas now the individual will pay at the marginal rate of tax for interest earned on bonds, we would be coming to Parliament to adjust that to have deductions at source; in other words, allowing for 15 per cent.

We plan also to rationalize and structure properly, the tax exemption under section 134 (6) of the Act which allows insurance companies, and so on, to set up deferred compensation plans—again providing for long term savings. We are doing that because we know that if we want to have investment there must be that base of savings.

**Sen. Spence:** Mr. President, I have not been able to find the thrust in trade liberalization or indeed trade reform in the manifesto. At some other time, perhaps he might guide me to the thrust in trade liberalization or trade reform in this manifesto.

**Hon. K. Valley:** Mr. President, I made the point earlier that, look, in returning to Government we had to talk to technicians. We met certain policies in place, and I am sure the Senator is well aware that the trade liberalization—we were supposed to remove the negative list by December, 1991. That conditionality was tied into certain financing which was required—there is the concept of responsible choice—but we were able to have the surcharge to provide for protection. If we want to move our manufacturers to the export market, it makes sense to give them protection and gradually reduce that protection over time; in other words, ensuring that the infant grows up. I have no problem with that concept.

Mr. President, I was speaking a while ago about the committee that we set up earlier this year with respect to our fiscal operations. I have with me a copy of their interim report, dated August 10, 1992 and, rather quickly, I just want to read the terms of reference of this committee:

- "1. To review the Government's fiscal operations and to make recommendations to the Minister of Finance to improve the efficiency of collections of the whole system."

Of course, you see the recommendations with respect to administrative improvement.

- "2. To review the pledges in the 1991 election manifesto of the People's National Movement, subsequent government budgets, the strategic business plan, and such other policy documents that may be referred to the committee, and to make recommendations to the Minister of Finance as to the changes in finance and fiscal operations so as to promote achievement of Government's policy objective.
3. To review and recommend on any other matter referred to by the said committee."

The committee report influenced the budget, but there are a number of other recommendations here that the Government will be considering during the course of the year and will be bringing legislation as it sees fit.

Another committee that was established during the year is the Committee to advise Government on the initiatives and action necessary to effect its new mandate to make the Republic of Trinidad and Tobago the business and financial centre of the Caribbean and the gateway to Latin America. This committee reported on November 9, 1992. Perhaps, we may want to take Sen. Teelucksingh's advice and set up a committee to see about the moral health of our country. Perhaps, we may ask him to chair that committee.

Mr. President, this committee has done quite a lot of work and this is at present receiving the attention of Government. So, again, once more, Senators could expect to see legislation flowing from their recommendations during the course of 1993. All of this here is really to push economic growth and exports.

**9.05 p.m.**

**Sen. Hosein:** Did they recommend offshore banks?

**Hon. K. Valley:** Let me just deal with the Table of Contents here, quite quickly: Encouraging local investments; encouraging exports; attracting foreign investors; looking at profitability considerations; taxation; remittability; development of international banking; looking at banking insurance and stock exchange; looking at the gateway concept, the development of a shipping transshipment capability, and marketing of Trinidad and Tobago.

The other issue was the one of export-led growth. I dealt with that; whether there are incentives. We believe this whole concept of venture capital would assist greatly in pushing exports. We honestly believe people would see wisdom in taking up that idea and moving it.

Mr. President, the hour is late and I would not want to keep Senators any longer—

**Sen. W. Mark:** There are just a few issues I would like the hon. Minister to clarify. One is the issue of the credit union. Could he also give us a little appreciation as to whether the Government has done any impact analysis of the sweeping reductions to state enterprises, public utilities and statutory boards, in terms of employment levels, prices, as well as utility rates?

**Hon. K. Valley:** A tall order. How much time are you giving me, another hour?

**Mr. President:** Enough time to check your landing gear.

**Hon. K. Valley:** Thank you, Mr. President.

**Mr. President:** I do not control the Senate, you know. The Senate controls me. If I am bound by the Standing Orders, the Senate controls the Standing Orders. You were here in the Senate before I came, when they reduced the speaking time. But I realize you are in the other place where you are accustomed to a little more time now. If the Senate tells me that the clocks have gone out of order and they want you to continue, I am quite happy. Is it the wish of the Senate?

*Assent indicated.*

**Hon. K. Valley:** Mr. President, I really do not want to take up much of their time because I, too, want to go home.

I want to deal with the credit union, simply to put the initiative in context. We have been having a number of complaints with a number of credit unions concerning their operations and so on. All we have done—the same concept,



management audit—we put a management audit team and we say, "listen, go there and find out what is happening, please, and come back and tell us". At this time the Government has no intentions of interfering with the interest rate. As a matter of fact, Government wants to encourage savings among small people. Therefore, hopefully, we would have liked to give you a bigger tax benefit for 1993. Government has, at this time, no intention of putting you under the Central Bank Act, financial legislation or what have you. You belong to the people's sector. The Government knows the part you play. The Government has no intention of changing that. What Government has every intention of doing is ensuring that there is accountability for the people's funds.

**Sen. Dean:** What about taxing the credit unions?

**Hon. K. Valley:** As a matter of fact, we want to give you tax benefits.

The issue of employment, first of all, I think if you look at the *Review of the Economy* at Appendix 10, you would see, even though things were not all that good in 1992, the employment shifted by nearly 300. In 1991, according to Appendix 10, the number of persons employed was 401,000. In 1992, the preliminary estimate was 400,700, a difference of 300 persons. I believe there would be growth in 1993.

When I look at the information, I believe that we have given sufficient incentives. For example, in 1992, it is the petroleum sector that declined by some 0.9 per cent. I believe that with the new tax incentives that were given in the petroleum sector, that sector is going to come into its own, starting in 1993. I think we are going to have positive growth in 1993 in the petroleum sector which would contribute towards overall growth.

The non-oil sector grew by 1.4 per cent in 1992. There was positive growth. It was lower than 1991, but growth nonetheless, in spite of the high interest rate. I know the high interest rate is a problem, but one has to understand clearly what is Government's policy at this time. The main objective is to have foreign exchange reserves, because that provides the constraint. We need that. Whatever we do, whatever economic action we take, it is all with the view to having sustainable growth and job creation. We know that is going to come in the medium term. In the short term, we are putting certain things in place.

We have increased the appropriation for the LIDP, because we know that we have to do that. We have the conservation corp to employ persons, also the apprenticeship programme. So we are doing certain things in the short-term.

*Appropriation Bill (Budget)*  
[HON. K. VALLEY]

*Thursday, December 3, 1992*

The construction sector is a major stimulant to jobs. We have provided incentives. More than that, while we are doing that on the supply side, Senators should remember that in the 1992 budget, we provided that incentive. We said that young people, first time home buyers, can now access their pension plans. The bill is now out for public comment and it closes on December 7, so we would be coming to Parliament very shortly to legislate that, to allow young people to access their pension plans. In other words, knowing that the down-payment is the major constraint in a house purchase, we have provided the mechanism to make it easier for them, creating that demand. That is what we want to do.

Just quickly, on agriculture, I have noted what Sen. Spence said. I would get a copy of his address and pass it to my colleague. I just want to let him know that in spite of all of that, agriculture grew by 5.6 per cent, overall, in 1992—export agriculture by some 3.3 per cent; domestic agriculture by 5.6 per cent and sugar by 5.9 per cent. That sector really out-performed all other sectors of the economy in 1992. I do not think this Government can really take acclaim for that. I am sure it may simply be a question of policies being there before. But at least, there is growth there.

Basically, as I understand it, Caroni is going to be pivotal in our agricultural policy. We are moving to land reform. I can say that I know Cabinet has taken certain decisions with respect to that. We were talking about Non Pareil, and so on, and moving to a situation where we would be giving land out to persons who want to enter farming, and so on. There will be more of that the next time I speak.

I wanted to spend a little time on divestment, as I wanted also, in the Lower House. Again, I am overtaken by time. I would simply say that there are about 26 companies that we have looked at so far. There is only one that is earmarked for repayment of the public debt. There are 15, simply investments, shares we hold, minority interests we hold in companies. The others, Printing and Packaging, we have an agreement; Farrell House is gone; Crown Reef is gone; Caricargo—a number of them that I do not think anybody could really have any quarrel with. We are already rationalizing the sector.

**Sen. W. Mark:** What about Urea and Fertrin?

**Hon. K. Valley:** Urea and Fertrin, we said quite clearly in the manifesto that part of the proceeds of divestment would be used to reduce the public debt. We are using the proceeds of Urea and Fertrin to do that. We are also, when one looks at Methanol—what we do with Methanol—it is a partial divestment; its an

expansion. Similarly with Trintoc and Trintopec, that is an expansion. We are looking for a foreign joint venture partner who would come with crude and money to expand the refinery.

**9.15 p.m.**

Mr. President, I want to make that distinction between privatization and divestment. Quite simply, the same time we are talking about partial divestment of methanol, we are talking about building another methanol plant in Point Fortin. That cannot happen under a privatization mode, because privatization talks about Government having no part whatsoever in commercial activity.

Divestment is part of our investment policy. We say that our role is catalytic as well as, facilitative and we would continue with that role.

Mr. President, I thank you for your patience. I must say I enjoyed this debate very much and I really look forward to coming to the Senate again.

I thank you most sincerely and I beg to move.

*Question put.*

*The Senate divided:*     Ayes: 18     Noes: 6

**AYES**

Saith, Hon. L.

Huggins, Hon. R.

Yuille-Williams, Hon. J.

Draper, Hon. G.

Robinson-Regis, Hon. C.

Mark, A.

Ojah-Maharaj, D.

Elder, J. Mrs.

Kuarsingh, Dr. H.

Rahael, J.

Gosine, Pundit R.

Hassim, A.

*Appropriation Bill (Budget)*

*Thursday, December 3, 1992*

Mansoor, M.

Spence, J.

Rooks, J.

Dean, E.

Mahadeo, Miss C.

Teelucksingh, D.

**NOES**

Mark, W.

Capildeo, S.

Baksh, S.

Kwabene, R.

Merritt, Miss C.

Hosein, M.

*Question agreed to.*

*Bill accordingly read a second time.*

**Mr. Valley:** Mr. President, in accordance with Standing Order 63, I beg to move that this Bill be not committed to a committee of the whole Senate.

*Question put and agreed to.*

*Question put and agreed to,* That the bill be now read the third time and passed.

*Bill accordingly read the third time and passed.*

#### **ADJOURNMENT**

**The Minister of Planning and Development (Sen. Dr. The Hon. Lenny Saith):** Mr. President, I beg to move, That the Senate do now adjourn to Tuesday, December 8, 1992 at 1.30 p.m.

#### **Congratulations**

**Mr. President:** Before putting the question, I would like to thank all Members of the Senate for their wonderful co-operation during these past few days. I am sure all those who had the pleasure of listening to the debate would be satisfied

*Congratulations*

*Thursday, December 3, 1992*

with the high level of contributions that were made from all sides, and with the high level of participation and discipline displayed by Members for keeping within the allotted time.

I thank you all very much.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 9.20 p.m.*