

Leave of Absence

Tuesday, December 06, 1994

SENATE

Tuesday, December 06, 1994

The Senate met at 10.00 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, Sen. Muntaz Hosein has asked to be excused this morning. He has indicated that he will be a little late.

SENATOR'S APPOINTMENT

Mr. President: I have been advised that His Excellency the President has appointed Dr. Eric Baldwin Anderson St. Cyr to be a temporary Senator, with effect from December 06, 1994 and continuing, during the absence from Trinidad and Tobago of Sen. Diana Mahabir-Wyatt.

OATH OF ALLEGIANCE

Sen. Eric Baldwin Anderson St. Cyr took and subscribed the Oath of Allegiance as required by law.

ORDER OF BUSINESS

The Minister of National Security (Sen. The Hon. Russell Huggins): Mr. President, I seek leave of the Senate to deal with Government Business, "Bills Second Reading" instead of Motions on the Order Paper.

Assent indicated.

**APPROPRIATION BILL
(BUDGET)**

Order for second reading read.

The Minister of Finance (Hon. Wendell Mottley): Mr. President, I beg to move,

That a Bill to provide for the Service of Trinidad and Tobago for the year ending December 31, 1995, be now read a second time.

This is a money bill and was approved in the other place on Saturday, December 03, 1994. This Bill provides for the expenditure of \$10,163,998,778 under the various heads as indicated in the Schedule to the Bill. In addition, the

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estimate of direct charges on the Consolidated Fund for 1995, in accordance with the Constitution of our Republic and other laws, and excluded from the Appropriation Bill, amounts to \$400,918,672. The total draft estimates of expenditure for the year 1995 is, therefore, \$10,564,917,450.

As we fast approach that time of the year when in our individual lives we review the successes and failures of the previous 12 months, and invoke new resolutions to avoid the failures of the past, it is equally an appropriate time for us as a nation to celebrate our triumphs and to resolve to build on the successes we have achieved.

Indications are that after the long and arduous decade of recession and structural adjustment, interspersed with nearly two years of anaemic and therefore unsustainable growth, we may have turned the corner and, in 1994, the economy will grow by 4 per cent. What is particularly heartening about this performance is that the growth seems to have permeated almost all the sectors. All subsectors in agriculture, including export agriculture, domestic agriculture and sugar have bounced back. Overall, this sector is up by 11.6 per cent.

Services have grown by 1.5 per cent. Despite the predictions of the Cassandras, and an uneven performance at the subsector level, manufacturing has increased by half a percentage point.

Driving the economy was the petroleum sector, which is up by over 10 per cent. Particularly noteworthy in this performance is the increase in crude oil production by some 7 per cent, perhaps heralding some stabilization in the level of oil output—just reward for the tremendous efforts expended by this Government towards this end.

An encouraging highlight of the 1994 economic performance is the acceleration of the non-oil exports. Whilst overall exports in the first half of the year have grown by 14 per cent in US dollar terms, exports by the non-oil sector rose by 30 per cent, as our trade reform measures have become well entrenched and our manufacturers and agriculturalists respond positively to the export opportunities beckoning beyond the Caribbean.

It is important to draw the attention of the Senate to the fact that our performance in 1994 was not due to mere chance or propitious international circumstances. Whilst indeed over the past year the global recovery seems to have taken root, we can take ample pride in the fact that, by and large, our recovery was of our own making. Perhaps this act of self-redemption, more than any other factor, is the most important feature of our 1994 economic performance.

Without a doubt, we can justifiably lay claim to having established a firm foundation for growth in 1995 and beyond. Such growth would have been unachievable had we not imposed a heavy dose of self-discipline. There is a commercial for a particularly potent cough medicine. The line goes: "It tastes awful, but it works." So have been some of the remedies we have adopted. And what can we show for our sacrifices?

The fiscal deficit which averaged 3.4 per cent of GDP in 1987 to 1991 was reduced to 0.2 per cent in 1993 and we expect to close 1994 with a manageable deficit of only 0.3 per cent. A similar out-turn is anticipated in 1995.

Our balance of payments has begun to demonstrate a new robustness. Following 11 years of continuous deficits, in 1994 for the second consecutive year, the external accounts will show a surplus of around US \$150 million.

10.10 a.m

Supportive monetary policy is in place, aimed at restraining aggregate demand to levels consistent with low inflation and the need to rebuild our foreign exchange reserves. As a result, inflation is moderate and falling. By the end of October, inflation had fallen to 9.5 per cent on a year-on-year basis and is expected to average 8.3 per cent in 1994, down from the previous year's inflation of 10.8 per cent. Having now fully absorbed the devaluation occasioned by the flotation in 1993, inflation is expected to fall even further to under 5 per cent in 1995. Consequently, our exchange rate has held firm.

The public external debt, which stood at US \$2,437.9 million in 1991, is in steady retreat and is projected to fall to US \$2,061.8 million by the end of 1994; and unemployment, the bellwether of national prosperity, has also begun to decline.

We, therefore, have good cause to celebrate, but the season is also one of reflection as we gather ourselves to enter the new year. As we say farewell to the old and welcome to the new, it is also a time to pause and glean from our experiences the most important lessons we wish to take into the new year.

If in the other place I dwelt on the Government's mission of liberation, in this honourable Senate I wish to focus on the flip side of that coin—the redefinition of government and its role in the economy.

From the outset, this administration identified a role for government as facilitator, promoter and regulator of economic activity rather than as a venture capitalist. To this end, we set about boldly to re-fashion the institutions of the

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State. This new course was prompted by the obvious inefficiencies and high social cost of old ways of doing things as domestic and external circumstances changed.

If our recession, our reduced fiscal means and global trends have placed high on the agenda the reinvention of the State, this must not be construed as a precursor of the withering away of the State. If we are now forced to look more benignly at market solutions, we do so, not unmindful that markets remain imperfect, and oftentimes produce socially sub-optimal results.

This, perhaps, highlights one of the more critical functions of government under the new dispensation. Here, I am referring to the important regulatory role of government. Although they must not necessarily be approached sequentially, over the last three years the restoration of macro-economic stability has perforce taken priority over regulatory reform. Having achieved a fair measure of success in respect of the former, we are now in a position to focus on accelerating the latter. Some of the regulatory reforms such as the new Financial Institutions Act, the revised Central Bank Act and the Venture Capital Act are already in place. In respect of the utilities, we are already in the process of dismantling the old regulatory structure and early in 1995 we expect to erect a new edifice in its place.

As for the completion of the reform agenda for our financial markets, the pipeline is now bursting with a host of Bills which will enshrine the new order. These include a revised Securities Industry Act, which provides for a Securities and Exchange Commission, an amended Insurance Act, and the forthcoming Mutual Funds Bill. In addition, the new Companies Bill now before Parliament will also be complemented by the institutional strengthening exercise now under way in the Office of the Registrar General. Legislation to give effect to overall competition policy and the approval and implementation of anti-dumping and unfair trade practices policies will be instituted in 1995. In addition, the new Investment Promotion Act will replace the Foreign Investment Act.

During the course of 1995, in addition to establishing the legislative prerequisites for modern money and capital markets, Government will turn its attention to the additional requirements for the development of an offshore financial centre. Added to the standard range of services available in competing jurisdictions, we intend to focus on identifying those niche markets in which we may have a competitive advantage. For example, it may well be that we will target a resurgent Latin American equity market in attempting to become the premier centre for the management of mutual funds in these emerging markets.

This Government remains keenly aware that in constructing an enabling environment which will elicit the kind of response expected of the private sector, we cannot restrict our mandate to ensuring a stable macro-economic environment and an appropriate legal and regulatory framework. There is much to be done by way of establishing the appropriate physical, health, education, administrative, social and national security infrastructures required to deliver the quality of social services which are rightfully demanded by the population and are indispensable to successful private investment.

One of the new stylized facts of development is a demonstrated complementarity between public sector investment in human and physical capital, and private investment in directly productive activities. Though we will remain conscious of the danger of public sector investment crowding out private investment, we ignore at our peril its potential crowding-in effects.

In this regard, if I must admit one lingering frustration as Minister of Finance, it is my inability thus far to devote the warranted resources to the re-tooling and expansion of our various infrastructures. A perusal of our development programme will show that in 1994 we have done considerably better than in 1993. The accounts show that in 1994 Government spent about 8 per cent of its budget on the investment programme. We intend to improve upon this in 1995, but we still have not gone nearly far enough.

This Senate and the rest of the country know that this level of public sector investment spending is just not good enough. Surely, we cannot attain our full growth potential, a rate of growth which will see that all our citizens enjoy a standard of living which we know we are capable of attaining and sustaining, unless Government's infrastructure investment, both physical and social, lays a strong foundation. Nor will unemployment fall as quickly as we desire unless Government is able to shift even more resources from recurrent to capital expenditure.

Government investment in both physical and human capital is a necessary precondition for the efficiency of private sector investment. We, therefore, cannot continue to postpone that investment as we have been doing in the recent past, since it will compromise our ability to quickly absorb the 18 per cent of our labour force that is still currently unemployed. To the extent that we fail to contain Government's wage bill, to that extent the unemployed are being held hostage by the employed.

This, therefore, places in stark relief the efforts being made in the 1995 Budget to honour Government's obligations in respect of arrears to public servants

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which will average some \$600 million over the next five years, about 69 per cent of Government's investment and 41 per cent of the total Public Sector Investment Programme (PSIP) in 1995.

10.20 a.m.

Let me give yet another instance where the unemployed are being held hostage by the employed. Unemployment rates of 9.4 per cent in the United Kingdom and 12.4 per cent in France are typical of the EEC countries. However, despite a booming labour intensive tourist industry, Spain's unemployment rate is 24 per cent—six points higher than in Trinidad and Tobago. A large part of the blame for this is attributable to rigidities in the Spanish labour market. All of these factors we must take into account to ensure that strong reductions in our unemployment accompany our economic growth.

In the past we interpreted Government's responsibility in the areas of the utilities and public transportation as requiring the direct provision of these services by the State. We have learned to our chagrin that Government may not be the most cost-effective providers of these services. We must now seek to re-fashion our domestic arrangements to arrive at an appropriate mix of public sector/private sector partnership in the delivery of these services, while Government retains responsibility for ensuring the availability and affordability of these services in adequate amounts to the population, including the indigent and the socially disadvantaged.

As for the overall level of savings, including private savings, there is no magic solution that would serve to raise the national savings rate. Our major savings institutions—pension funds, insurance companies, banks, and mutual funds—are basically sound and have done a reasonably good job of mobilising available resources. The structure of incentives which is already in place is for the most part, adequate.

There are, however, some changes at the margin which can be given consideration. There is certainly the need for an increase in the contribution rates under the national insurance system if it is to become the foundation of our system of social security. This is being given due consideration in the context of an overall assessment of the organization and management of the National Insurance Scheme. However, prior to any increase in the contribution, the National Insurance Board must bring its administrative expenses under control. It is just not good enough to have \$265 of every \$1,000 of investible income consumed by administrative expenses. The comparable amount in private sector plans is considerably lower.

There is even greater scope therefore for the development of private pension plans and individual retirement schemes. One option which would be studied during 1995 would be to mandate universal coverage by registered and approved private pension schemes with employees having the flexibility to switch among schemes. These have been very successful in Chile and other countries, and private pensions have been an important element in the social security set up in the United States as well.

Given that Trinidad and Tobago already has a well-developed and experienced private pension plan system, the flexibility and portability which a modern liberalized economy demands ought to be easily grafted onto the existing framework. An enhanced National Insurance Scheme and an expanded and more flexible system of private pension plans could be the foundation for the further development of the equity and corporate bond markets which is so sorely needed.

While representations have been made to eliminate the tax on interest income, it should be noted that this treatment of interest income is still much more favourable than the treatment of dividend income. However, the tax exemption on interest income from foreign currency deposits in local banks will be retained for the time being. These deposits now exceed US \$200 million and are becoming an important source of foreign currency financing in their own right.

My ministry and the Board of Inland Revenue would also give consideration to enhancing the Employee Savings Plan Scheme under the Income Tax Act to allow higher rates of contribution, and also to allow smaller companies to establish such schemes.

The strong and resolute action which this Government has taken to transform the role of the State in our economy has been prompted not only by the evidence of the failures of the past, but also by a conviction and a faith that the local private sector, with the support of foreign private capital where necessary, has the capacity and the wherewithal to be able to compete successfully. It is true that the relationship between Government and the local and foreign private sectors has blown hot and cold over the last 35 years. This was due at one time to the perception that the private sector was failing to respond positively to the incentives and structure which had been put in place.

We understand now that more is needed than simply a structure of incentives. The Government needs to be engaged in a continuous dialogue with the private sector, and has to be prepared to do whatever is necessary to support their efforts. In some instances this would mean assistance with unblocking access to markets,

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or providing a strong response to the dumping of goods in this market; in other instances it would mean the negotiation of double taxation treaties, or trade agreements; in yet other instances it would mean providing critical market intelligence through our foreign embassies, et cetera.

Our capability as a Government to support the private sector in this fashion is not yet fully developed, but we are aware of the need to do so. A beginning with the process of continuous dialogue has been made with the establishment of a non-oil committee which is charged with finding ways of fostering the development of the non-oil sector in much the same way as we have done successfully with the energy sector.

Further, I wish to announce that the Ministry of Trade and Industry has appointed a team comprising senior members of that ministry, as well as the Customs and Excise Division and the Trinidad and Tobago Manufacturers Association, to implement the recommendations arising from the report of the consultant on unfair trade practices.

The division of labour, between the Government and the private sector, should now be abundantly clear. Government would seek to ensure that our infrastructure—physical, human and social—is adequate for a country that has to compete with the rest of the world and the best in the world. Government would provide a strong regulatory framework with clear rules which are understood by all players.

Government would facilitate and promote the development and growth of legitimate, private sector activity by providing such incentives or deterrents as may be appropriate at any given time. Government would reserve the right to participate in directly productive activities, preferably in partnership with the private sector, where these activities pass the difficult test of being strategic to the public interest. Everything else would be left to the private sector.

We are in the unusual situation in Trinidad and Tobago where international capital is streets ahead of the local private sector's in tangible expressions of confidence in our reforms and the bright outlook of our economy. I expect that in 1995 domestic investors would correct this imbalance. We expect that with the measures which have been introduced in this budget, and the other reforms which are in the pipeline, the local private sector—both large and small business—would seize the initiative, firmly grasp the baton from the Government and run the anchor leg to bring this country victory in the global race for investment, jobs and prosperity.

10.30 a.m.

Mr. President, despite our achievements, 1994 has not been an easy year. The measures which have been put in place have been painful at times but the Government has been able to hold the social fabric together through the strengthening of our social safety net programmes, thereby cushioning, to some extent, the dislocations accompanying the adjustment process. In 1995 the Government will build on the foundations it has established and deepen its investment in the social sector, particularly in the areas of health, housing, education, training and retraining, and human resource development.

The measures I propose to introduce in 1995 to support the Government's policy initiatives have already been detailed in the budget statement as well as in the *Provisional Collection of Taxes Order*, and in the other budget document entitled *Budget 1995—The Measures*. I do not propose to repeat these measures here except to outline that they were designed to promote growth in the economy such as the reduction in corporate taxes.

There were measures designed to give some relief to the population such as the reduction in personal income taxes. There were measures to broaden the tax net such as the insurance taxes. There were measures designed to simplify the tax structure, for instance, the pooling of depreciation and rounded upwards. There were measures designed to remove the weight of bureaucracy such as the removal of tax exit certificates. Also there were a host of other measures that tended to fall under these various categories, and they are all detailed in the documents which have already been circulated.

One measure which generated much heat in the other House, quite unnecessarily, is the taxes on motor vehicles. As part of the Government's programme of simplification and transparency, Government price control on motor vehicles has been removed. With the removal of price control and that contrived way of calculating prices of imported vehicles, there is the capacity, unfortunately, to manipulate what prices are proffered to the Customs Division when the cars land. For that purpose only, it was decided to move from a mixed system to a system purely of raising the motor vehicle tax on the c.c. rating of the car imported.

That was designed so as to avoid a person coming and saying that his two-year-old Mercedes Benz had been bought at some bankruptcy sale and was valued at \$200, on which that person would seek to pay a motor vehicle tax based on that. That was the purpose, and it had nothing to do with Mr. Sabga or Mr. Amar or anything like that.

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I also draw to your attention the wealth of information provided not only in the estimates but also in the following documents: the *Public Sector Investment Programme*, which provides details of Government's investment programme; the *Medium-Term Policy Framework 1995—1997*, which is the Government's policy agenda; and finally, the *Review of the Economy 1994*, which reviews our economic performance in 1994.

The 1995 *Estimates of Revenue and Expenditure* indicates that total revenue will amount to \$8.887 billion, of which recurrent revenues will amount to \$8.766 billion and capital receipts and grants, \$121 million. On the other hand, total expenditure is expected to amount to \$9.003 billion with recurrent expenditure comprising \$8.127 billion and capital expenditure \$876 million. The recurrent account, therefore, is expected to generate a surplus of \$639 million towards the financing of the capital programme. Government's overall fiscal operation, however, will result in a modest deficit of \$116 million or .4 per cent of GDP.

This deficit will be financed from the proceeds of divestment in the sum of \$544 million after making net payments of \$329 million on the external market and \$99 million on the domestic market. Total amortization payments on both the domestic and foreign markets will amount to \$1.209 billion, while Government's credit from the Central Bank will be reduced by a further \$998 million. Planned external borrowings from the multilateral lending institutions will amount to US \$118 million. There are no planned external commercial borrowings in 1995.

When this Government took office in December 1991, it had a clear plan for the country which was outlined in its manifesto. That plan is based on a clear understanding that we could no longer rely on the old theories and formulae, the shibboleths and incantations. It is based on an understanding that the global economy is being transformed and that the processes of change, because they are driven by advances in technology, are largely irreversible. It is based on an understanding that full participation and respect in the comity of nations will depend mainly on our economic success.

The Government also understood that it had to move quickly. Much time had already been lost because of the long period of structural adjustment. Therefore, it has wasted little time because the world is not waiting on this country to get its act together. The Government has been encouraged, indeed inspired, by the positive reaction of the population to the pace and direction of change.

It is as if the population has recognized that enough is enough; that the old order of things needed to be swept away and a brave new world ushered in,

in which citizens are encouraged to feel empowered and that they can take on the world with their exports of goods and services; to feel that they can once again take charge of their lives in a meaningful way, and to do all of that with a sense of responsibility and loyalty to our nation.

How else can we explain the public's mature response to the floating of the exchange rate, while the rest of the region looked to see if we would go the way of all flesh? How else can we explain the responsibility of the Drag Brothers in ceding Independence Square once more to the citizens of Port of Spain, or the response of the maxi-taxi drivers to the traffic restrictions and the enforcement of the regulations on the playing of music? How else can we explain the tremendous response of communities and neighbourhoods throughout the country to the campaign to drastically reduce criminal activity, a campaign which already seems to be bearing some fruit?

There is also the matter of "joss". Ask any Chinese businessman what is joss and it will be apparent that this Government enjoys "good joss". Otherwise, how else could you have explained Brian Lara's triple century, or the fact that we were able, in a very short time, to reverse a football loss that we suffered? I am encouraged to believe that had we had the right Government we might have been in the 1990 World Cup.

Sen. Barrack: Explain the joss where the two children were swept away in the flood.

Hon. W. Mottley: To be more serious, Mr. President, our success really lies in the hearts and minds of our citizens. The good news that I have brought as we enter this Christmas season is not only that there is evidence of improved economic performance, but, more importantly, that the hearts and minds of our citizens are already soaring to great heights as they witness the coming of a glorious morning!

I thank you, Mr. President.

10.40 a.m.

Question proposed.

Sen. Wade Mark: Mr. President, the old saying that "all that glitters is not gold" reveals its complete nakedness upon deeper and more penetrating analysis of the Minister of Finance's 1995 Budget presentation. The Minister of Finance must be complimented on the skilful manner in which he sought to mislead the working people of Trinidad and Tobago in his 1995 Budget statement. In his

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performance the dapper Minister engaged in some fancy manoeuvres and footwork to make his case that the Government's policies have brought the economy out of chaos and decline.

The Minister further attempted to paint himself into the picture of a virtual Santa Claus bringing goodies and bearing "good news". However, stripped of its barest essentials, the budget stood out for what it really is—a pillar of deceit.

The 1995 Budget is the worst anti-people, anti-worker, pro-big business budget that this country has seen in a very long time. It is a budget which unashamedly places more bread on the table of the rich while removing still further whatever limited crumbs remain on the table of the poor, destitute and dispossessed population.

For the grassroots people this budget is an absolute disaster and a total betrayal of the PNM's pledge and slogan "We Care". But this is supposed to be a "good news" budget. This is a budget which is supposed to have hoisted our people to the top of the mast of a leaking and sinking PNM ship, and the people, we are told, have seen the Promised Land. But, only a tiny minority of our vast citizenry have, in fact, been hoisted to the top of the mast and have actually felt solid ground.

The majority of our citizens, however, are still out at sea in very rough, choppy and turbulent waters. Their ship has been virtually grounded on the rocks and desperation has stepped in. But life-saving apparatus has been put to sea by the United National Congress, the alternative government, to rescue our people and ensure their safe return to solid land once more.

As the alternative government, the United National Congress is convinced that the fiscal measures proposed by the Government in its 1995 Budget will not positively impact on the key problems of production expansion, employment generation and poverty reduction. Indeed, we confidently predict increased poverty, growing income inequality, higher utility rates, large-scale retrenchment, more business closures, and continued massive increases in the prices of basic goods and services in the years ahead.

Today, under this fascist-type PNM administration, the majority of the people of our country are desperately trying hard to make ends meet, to free themselves from grinding poverty, to live somewhere decent, to get proper quality schooling for their children, to afford a life of reasonable comfort and sacrifice. After all, this is what real social development is all about.

At the same time, a small powerful and influential minority does not have any problem in making ends meet in our country. Their problem is what to do with their vast and growing sums of cash, how not to be bored with riches and with high society.

This minority lives virtually in palaces. They do not have to worry where the money is coming from to pay the rent, mortgage, light bill, telephone bill, water bill and school fees, or buy school books, school uniforms for the children, or pharmaceuticals for the elderly in our society. This minority does not have to worry about importing anything, or about tax deductions, or even hospital bills. They have the money and the contacts. In fact, they do not even need tax deductions or reductions.

However, for the minority in this country, the new paradigm of liberalization, privatization and deregulation is fully acceptable. This minority is happy to be subjected to foreign rule. Indeed, this minority is totally unpatriotic, selfish, greedy and absolutely corrupt.

Yet, the Minister of Finance has the “brass face” to speak about “tangible benefits created by the successes of his Government's macro-economic reforms.” What tangible benefits? And for whom? Are they for this same minority whom he now seeks to have further entrenched, enlightened and liberated? How can the majority seek their own freedom when they are being mercilessly oppressed and exploited by this tiny minority, which is being pampered, supported and actively promoted by the Prime Minister and his motley crew of traitors?

If the working masses never knew before, they should know now that independence 32 years ago was not the end of the struggle, but an important phase along the road to real freedom. Independence did not mean that every able-bodied Trinidadian and Tobagonian would be able to get work, that every family would have somewhere decent to live, that children in ragged clothes would no longer be on the streets, that our country would get any fairer deals in its one-sided economic relations with its major trading partners.

Independence did not mean that the farmers who did not have land before were going to get land; that workers who did not have any rights would now have; that persons who did not have a say in the development of the economy, would now get it. Independence did not mean that the grassroots people had any greater power over politicians, bureaucrats, and officials who abused their authority.

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All that remains to be achieved, even after political independence. All that still remains to be achieved, despite the fancy rhetoric of the Minister of Finance and 32 years of PNM misrule and corruption. This is why the 1995 Budget is profoundly disappointing. What enlightened and liberated citizens is the Minister referring to?

We ought to be speaking about genuine national liberation aimed at liberating ourselves, our country, our economy, our society, our politics and our culture from the grip of the new imperialism.

As the alternative government, the UNC wishes to objectively analyze the Minister of Finance's 1995 Budget statement from the perspective of the working people of this country. For, where did working people fit into the rosy picture of recovery and restoration painted by the hon. Minister? Apart from throwing some crumbs on their table to gain public relations and political mileage by thanking workers for their sacrifices, it was almost as if working people did not matter to the Minister. Everything and everyone mattered except the working people of this country.

In our response to the budget, the alternative government shall seek to put in perspective the kind of social damage this Government's economic policy has done to the working people of this country and the kind of human tragedy that will continue to be inflicted upon the poor, if the PNM persists in its utterly misguided and foreign-inspired approach to development.

Working people who perform critical roles in the functioning and development process of our nation have been virtually battered and brutalized by this Government's social hurricane policy over the past three years. This policy is rapidly removing government control, regulation and involvement in the economy and substituting market forces and private ownership and control. This approach has also led to the deregulation of prices, privatization of enterprises, reductions in import tariffs, removal of subsidies and the gradual liberalization of foreign exchange management.

Over the past three years, the PNM's economic policy has adversely impacted on the working people at both the micro and macro levels. A devaluation of the currency in April 1993 by some 35 per cent has drastically reduced the domestic purchasing power of the workers, while cuts in the provision of social services have resulted in retrenchment of thousands of workers. At the same time, there have been steep declines in the standard of living of the vast majority. Wages and salaries have virtually collapsed over the past three years.

During the period 1990 to June 1994, the average weekly earnings of ordinary workers fell from 5.8 percentage points to 2.9 percentage points; while the index of productivity rose from 4.4 percentage points to 9.9 percentage points, during the same period.

Over the past three years of the PNM's slaughter of the poor, there has been a consistent decline in the share of the Gross Domestic Product being realized as compensation to workers when compared to the increasing operating surplus as a percentage of the GDP.

10.50 a.m.

The Gross Domestic Product for the years 1992, 1993 and estimated for 1994 is as follows:

1992	\$23.1 billion
1993	\$25 billion
1994	\$28.4 billion

The share of the GDP going as compensation to workers when compared to operating surplus as a percentage of total GDP for the same period reveals the following:

Year	Compensation to Workers	Operating Surplus
1992	52%	29.1%
1993	49.8%	30.1%
1994	46.9%	33.4%

Whilst these percentages may need to be further disaggregated to truly reflect the pattern of overall distribution, they do reveal a frightening and disturbing trend in our society, where wealth is being progressively redistributed in favour of the minority and at the expense of the majority.

In addition, the *McIntyre Report* stated quite clearly recently, a worsening in the pattern of income distribution under the PNM. Income inequality increased from 0.68 per cent in 1988 to 0.592 per cent at the end of 1992. This is certain to have worsened at the end of 1994.

Under the stewardship of the PNM, Trinidad and Tobago is fast becoming a highly class-structured society with the worsening and inequitable distribution of

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income. Income disparities have worsened under the PNM. Fabulous homes and gracious condominiums have increased, as have the poor in many depressed communities. The vast majority of wage and salary earners have suffered a massive reduction in their standard of living as a result of savagely mounting prices and taxes combined with reduced Government expenditures on payroll and social services. So where are the tangible benefits this hypocritical and false PNM talks about? It has now become almost impossible for the ordinary worker in this country to ever own a home or even a motor car under this anti-people, anti-worker PNM administration. Even the middle-class standard of living has been severely compressed by this Government.

At the bottom of the economic and social pyramid there is a very large number of poor people—the new poor—most of them young and more often than not, female. But under this cruel Government, the social distance between the top 10 per cent and the rest of the people is probably greater than ever before. We are fast approaching two nations within the same borders, a nation of the rich and a nation of the poor. In fact, it has been estimated that the average income of the top 10 per cent of income earners in Trinidad and Tobago is 44 times the average income of the bottom 10 per cent.

To further illustrate the rise in inequality of income in Trinidad and Tobago in the 1990s under PNM rule, let us compare the income of a worker employed at the minimum wage with the income of a Government Minister. The nominal minimum wage is currently \$200 per week for a sales clerk, or \$9,600 per annum.

A Minister currently earns close to about \$13,000 per month—16 times as much as that worker. In the private sector, the chief executive officers of large companies earn as much as \$648,000 per annum in salary alone, which is over 60 times the wages of the ordinary minimum wage worker in Port of Spain, San Fernando or Tobago, not to mention the other free, non-salary monetary benefits such people enjoy, such as group life insurance, group health plan, pension plan, company car, company house, free telephone, free electricity, free water, subsidized mortgage, low interest on loans, vacation leave plan, mileage allowance, among others.

We ask: Where is the concern for social justice in this budget? While a few are wallowing in luxury and comfort, the poor are offered soup kitchens. In fact, the poor are not even considered to be people by this insensitive and cruel Government.

This Government has presided over a sea of misery, growing poverty and increase in malnutrition. There are some 300,000 people in 60,000 households in

Trinidad and Tobago who are unable to access a basic low-cost menu of nutritionally adequate caloric content. Some 23 per cent of our households now live under the poverty line. Yet the shock treatment administered by the free marketeers has not moved this brutal regime to establish nationwide food security programmes. Instead, it is plotting and conspiring to eliminate our agricultural base.

Reduced nutritional intake tends to affect children under five, the elderly, and pregnant and lactating women. Where is the PNM's so-called porous safety net to catch these unfortunate members of the human family? We must now all admit that there was never a social safety net in our country. The effect of the PNM's economic policy on the working people of this country over the past three years has been absolutely horrendous. The 35 per cent devaluation in April 1993, coupled with the over 60 per cent of import content of the Gross Domestic Product, means virtual hell for the poor.

This Government has significantly reduced subsidies on basic commodities. It has removed price controls. In fact, price controls have been fully liberated, including baby milk, whilst the supply of the most basic goods, especially food, is under the control of a small clique of oligopolists in our country.

Inflation, as measured by the index of retail prices, remains relatively high. From a low of 3.8 per cent in 1991, it rose under the PNM to 6.5 per cent in 1992, 10.8 per cent in 1993 and stood at 10.1 per cent during the first nine months of the year. Working people have had to endure hefty increases in food prices on commodities such as chicken, fish, citrus fruits, fresh vegetables, imported beef and powdered milk. Building materials have also increased for the poor people in this country.

As you are no doubt aware, minimum wages orders governing the employment of shop assistants, domestic servants and workers in the catering industry are observed more in the breach than in the practice. Apart from requiring urgent revision, there is an insufficient number of labour inspectors to properly monitor and supervise these orders. Workers are being ruthlessly and mercilessly exploited by dishonest and unscrupulous employers without any protection from this so-called caring Government. In fact, the Government turns a blind eye.

Would you believe that under the successes of this Government's macro-economic reforms, which were supposed to have brought tangible benefits to our people, workers are still being paid \$1.50 per hour in this country? Workers are

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still denied cost-of-living allowances, overtime, sick leave, vacation leave, severance benefits, maternity leave, casual leave, among others, and this Government turns a blind eye.

Over 30,000 private security guards have been crying out for protection for the last three years against unscrupulous and criminal-type employers, but to no avail. The PNM turns a blind eye, and they say they care. Instead, the Minister of Finance speaks about the need to engage in further cost-cutting in order to become more competitive.

Under this so-called caring regime, our country has essentially become a sweat shop. A virtual modern slave zone exists at many of our fast-food outlets, whether it is KFC, Pizza Hut, or the latest kid on the block, McDonald's. They demand five O'Level subjects inclusive of English and mathematics from our sons and daughters merely to retail chicken and chips and to sell hamburgers, but they are paid between \$150.00 and \$180.00, I understand.

11.00 a.m.

The Minister of Finance moves to reduce this sum even further by his signals to introduce further discipline in the labour market, which I shall elaborate upon as I proceed. This Government's economic policy will trigger rebellion in this country; it will promote unrest and even foster political upheaval by its indecent assault, insensitive pattern of behaviour, and economic rape of the people's patrimony.

There are still many price increases in the pipeline. I agree with the Minister. With an unstable dollar lurking in the background—this dollar is not remarkably steady, as the Minister would like us to believe, but appears to be faced with extreme volatility in an unpredictable global marketplace. In addition, rate increases by the privatized public utilities are certain to occur and these would manifestly impact negatively on the quality of life of working people.

Under the tenure of the new PNM, the social services have lurched from one crisis to another. The public health system which once enjoyed an enviable record in the provision of health care has all but collapsed, and from the shortfall in allocation of some \$72 million to purchase vital drugs in 1995, it does appear that many more will have to die in order to facilitate Government's enormous foreign debt obligations which constitutes first claim on the country's limited fiscal and foreign exchange resources. And the PNM claims it cares!

Government's devaluation has pushed up the cost of servicing the country's foreign debt, leaving less for spending on vital social services. For instance, the total cost of servicing the country's external debt stood at \$2.3 billion at the end of 1994 when compared to \$1.7 billion for the combined Ministries of Education and Health. We are already spending about \$700 million more to service the nation's foreign debt than we are spending on public health and education.

A recent World Bank survey revealed that infant mortality has jumped from 30 per 100,000 in 1984 to 54 per 100,000 at the end of 1990. Real per capita outlays on health have been declining over the last five years.

We have no doubt that with the imminent privatization of the health service, and the introduction of a fee structure for health care services, there will be further retrenchment in the Ministry of Health, as well as further reductions in the provision of services via the recently established regional health authorities. Indeed, the country's health needs are to be funded by an IDB loan via the so-called health reform programme.

The education system is also in total chaos and decline. Indeed, quality education at all levels of the system has declined, and the vultures of privatization of the education system are waiting like corbeaux to descend on this decaying carcass.

Investment in human capital formation is vital to our survival as a nation. In a knowledge-driven global market economy, the necessity for developing one's human resource base cannot be overemphasized. This is why we welcome the new emphasis by this stubborn administration on focusing on human resource development. The UNC has always advocated the mobilization and development of our most vital resource—the human resource.

Indeed, the UNC has always placed the people at the centre of economic development. Sustainable human development requires investment in human potential and the creation of an enabling environment for the full use of human capabilities in which greater social justice and more people's participation would feature more prominently.

The provision of high quality education is being constrained by inadequate physical facilities, overcrowding, irregular provision of utility services, shortage of equipment, instructional material and textbooks, low morale and absenteeism prompted by ridiculously low salaries.

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The PNM Government has failed to provide the working people with adequate housing and a proper, reliable and reasonably cheap public transportation system. There is a grave housing crisis in Trinidad and Tobago today. Some 15,000 units are needed to be constructed on an annual basis in order to satisfy the growing needs of an expanding population, and not the flimsy and inadequate 4,000 housing units that this Government has promised to construct by July 1996. Young people can no longer hope to own their own home unless they inherit property.

The PNM has virtually shut down the Public Transport Service Corporation. The Government has reduced the PTSC allocation by some \$23 million for 1995 and in the process has forced the management to retrench over 1,000 workers. This is a criminal Government. Public transportation has become a daily nightmare for tens of thousands of ordinary working people and schoolchildren in this country.

One would have thought that a caring Government would have sought to expand the PTSC to ensure the safety, security, productivity and intellectual development of our children. Instead the PNM has opted to trade our public transport service for a private maxi-taxi service.

The change in the mode of transportation for schoolchildren has resulted in confusion, pain and suffering. Thousands of children are stranded on a daily basis. Whether in Toco, Matelot, Charlotteville, Cedros, Sangre Grande, the record is the same—high absenteeism as a result of the collapse of the PTSC.

The sell-out Government of the PNM not only denies our children a safe and secure public transportation system, but also seeks to deny nationals obtaining a cheaper source of transportation via the sale of foreign-used vehicles.

A powerful committee comprising the Transport Commissioner, the Comptroller of Customs and representatives of the Ministry of Trade and Industry submitted a report to the Government entitled the “Development of the New Motor Vehicle Industry and Used Car Market”.

But the PNM Government is in the grip of a small elite who are currently determining the economic agenda of this Government, and they are all selfish. Just ask Mr. Sidney Knox who, along with other influential individuals, business tycoons, meet with the Prime Minister every Sunday morning to have tea and discussion.

The motoring public is clamouring for cheaper vehicles and not the paltry and limited reduction in stamp duty and import surcharge being offered. These reductions would only marginally assist the people.

The demand for used vehicles averages 12,000 units per year when compared to just over 4,000 units of new vehicles.

A new Mazda 626 will cost you \$150,000 while a second-hand Mazda will cost between \$18,000 and \$25,000; a new Nissan Bluebird will cost \$181,000 while a used one will cost you about \$35,000.

I move on to unemployment. The Government's policy has also impacted unfavourably on workers in the area of unemployment. We are told that unemployment has declined from 19.5 per cent to 18.1 per cent over the period 1993 to June 1994.

However, I do not want to enter into any argument about the suspect statistics for both employment and under-employment. All I would like to say is that the report issued by the CSO represents a snapshot, a broad global view of employment trends. What this suggests is that we need to be extremely cautious in our interpretation. It is misleading therefore to make the kind of bold claim which the Government has been making about a decline in unemployment. This is dangerous and irresponsible since the Government knows even better than the rest of the us how fragile these figures are.

11.10 a.m.

It is politically convenient for the Government to show a fall in unemployment before a possible election in 1995 or 1996. When the correct figures become available, the Government will simply claim that it was using what figures were available to it at the time. Nevertheless, the perception of the people is that unemployment continues to be the most serious problem in Trinidad and Tobago today. What is clear to the UNC is that the experience continues to be one where people are losing jobs and where job security of those in employment is still in great danger. Seventy per cent of the unemployed in our country are under the age of 30 years, and 45 per cent of the young population are unemployed.

In addition, the level of under-employment in this country has been estimated by the International Labour Organization to be as high as 20 per cent at the end of 1991. Under-employment means a situation where people are working, but are still not able to earn enough income to live a moderately decent life. For example, daily-paid workers who used to enjoy fortnightly work periods or 10-day periods and who find their time has been reduced by the Government to five and six days are facing under-employment. Ask Sen. Jagmohan. He would know about that.

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The fact is that when we add official unemployment to the ILO figure of 20 per cent for under-employment, we are coming up with a figure of almost 40 per cent. This is the condition working people find themselves in after three years of PNM misrule. Approximately, four out of every 10 workers either cannot find a job, or cannot find one which affords them a decent living wage.

Do not mention that the Government promoted and sponsored exploitation of tens of thousands of young people under the guise of training. These workers work for eight hours a day, and 40 hours a week, but enjoy no sick leave, vacation leave, maternity leave or overtime payment, and receive a measly sum of \$20.00 per day. The PNM has used the National Training Board, the National Apprenticeship Scheme and the Civilian Conservation Corps to ruthlessly exploit young people in our country.

The biggest sector in the economy is the informal sector which comprises self-employed individuals. About 26 per cent of the population can be found in that sector today. There is this savage assault by the PNM on the living and working conditions of working people, and the Minister of Finance has served notice that he intends to liberalize the labour market, and transfer the same discipline in the macroeconomic environment to the work place. This is all part of the so-called new order, the new world from which will emerge an enlightened and liberated citizenry.

Since we must export or perish, the Minister has begun to identify rigidities and distortions in the labour market. On page 3 of the budget statement, he refers to "cost cutting", "doing more with less labour" as is the norm with large firms in the rich countries. The Minister goes on to state that in order to become globally competitive and attract capital flows to Trinidad and Tobago, conditions in the labour market are becoming increasingly important. Factors that would have to be examined are direct labour costs, severance benefits, restrictive trade union practices and fringe benefits.

What does the Minister intend when he refers to these matters? Is the Government advocating a policy which would further erode the principle of collective bargaining? Is the Industrial Court to be abolished? What is to become of the Ministry of Labour and Co-operatives? What is to happen to the Registration, Recognition and Certification Board? Are severance benefits too generous over those of Barbados? Should these be abolished?

What about pension plans? Are they too onerous an expense on employers? Are individual annuity plans to replace them? What about workers' fringe benefits

such as vacation leave, sick leave and maternity leave? What about overtime payments, emergency and casual leave, cost of living allowance? Are those workers' entitlements preventing foreign investors from establishing industries in Trinidad and Tobago? What about job security, or is the Minister advocating a permanent policy of contract, part-time, temporary employment for the labour force of the country?

The Minister of Finance and the Government must level with the population on these matters. Is the Government's intention to make the trade union movement redundant and ultimately realize the Minister's long-cherished ambition of having the movement disappear? These are extremely grave matters crying out for urgent answers. Maybe it is the intention of the Government to promote a weak, fragile and divided trade union movement in an effort to create an appropriate environment for low pay, high skilled, insecure employment for our growing and expanding young population.

Life could become extremely unstable, uncertain and difficult in our country if such a situation were ever to occur. The Government must be extremely careful. Any such move by this Government may well trigger social rebellion in our country.

In his great work entitled *Development Planning: The Essentials of Economic Policy* the late and great Sir Arthur Lewis stated:

“The chief condition for confidence between the Government and the worker is that any economic plan should clearly be in the interest of the workers. This is hard medicine for some planners. Their test of success tends to be the growth of their aggregate called gross domestic product. The people's test, however, is what is happening to food, clothes, education, health services, housing and employment. GDP may be rising rapidly, without improving the level of living of the people, or even at the expense of the people's level of living.”

This is Sir Arthur Lewis about 40 years ago. How prophetic this has turned out to be in the context of this budget.

On page 1 of the budget statement, we are told that by the end of 1994, we would have exceeded our economic growth projections by 100 per cent realizing a 4 per cent real growth rate for the year, the highest since 1981. Even *The Review of The Economy 1995* contradicts the Minister's absolute optimism. It states:

“The domestic economy is expected...”

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not “will”,

“...to attain real growth of four per cent in 1994...”

Like the employment figures, this growth rate is purely provisional and not factual. The PNM's policy is, apparently, to grow first and then feed people later. Enhancing the human condition has clearly escaped the reactionary thinking of this Government, but this requires not only the Government integrating a social dimension into the developmental process, but also virtually redefining and rethinking the very concept of development, so that it obtains real social relevance.

A United National Congress government will ensure overall social security, not merely facilitating but by actively promoting an environment which encourages sustainable economic growth, productive employment, and protection to the poor and the disadvantaged. It will use the power of fiscal policy to redistribute economic and taxation burdens which would serve to discourage worsening income differentiation in our country.

There is also a need to promote a new concept of business. The private sector should be encouraged to reorient its model of development, from one of purely maximising profit to a model which emphasizes social responsibility and accountability. There should be a shift in focus from profits to people.

In spite of the Minister's pontification, our country is in a profound social and moral crisis. There is a growing atmosphere of uncertainty which seems to be gripping every area of national life. Youths are not finding jobs paying decent wages, education is no longer seen as a catalyst to provide jobs and income. These constitute a veritable threat to the social order.

Globalization is obviously not benefiting the people. The benefits of this process remain unequally distributed. Instead of equalization, there is further polarization. A new kind of social Darwinism seems to have emerged in this country, in which only the fittest survive.

The 1995 Budget has done little to address this new phenomenon. Indeed, the fiscal measures will only serve to aggravate the gap between the rich and the poor. The rich has been given more concessions and tax incentives in lower corporation taxes, lower taxes on dividend income, reduction in withholding taxes, zero-rated value added tax on pleasure crafts. The banks and other big business organizations have recorded super profits without the Government imposing an excess windfall-profit tax on their excessively and obscenely large profits margins. Do like Jamaica. Tax the banks.

11.20 a.m.

At the same time, crumbs are offered to the lowly and middle-income workers through tax credits and reductions in the marginal rates. Small business entrepreneurs and sole traders have been further harassed and undermined by the revision of the business levy, as well as the VAT threshold; not to mention the new nuisance tax on insurance services, which will simply be passed on to the consumer in the form of higher premiums and later translated into still higher costs of goods and services in the country.

Where are the jobs to come from? There will be a virtual standstill in new jobs. Both the private and public sectors have taken virtual strike action against the people of this country. Youth unemployment is extremely high, which is frightening. Women continue to carry a disproportionate share of the unemployment burden in our country.

Real economic growth must create jobs. There is no miracle cure for job creation, we admit, but Government taxation and spending policy can positively promote jobs and stimulate growth in employment. But the basis of wealth generation is being undermined and destroyed by the "fire sale" approach of this inept and bankrupt Government to the nation's enterprises and public utilities.

The UNC does not support the indiscriminate practice of delegating public duties to private organizations. Reference is made specifically to T&TEC and WASA, both public monopolies. Until corruption, mismanagement, waste, nepotism and patronage are eliminated at these utilities, and there is proper financial accountability and transparency in their workings, the UNC cannot support Government's move to privatize these organizations.

This Government has deliberately underfunded these utilities merely to justify their sale. Many vital and strategic state enterprises have already been placed on the chopping block. Petrotrin is to go; National Flour Mills, one of the most profitable enterprises ever owned by the people is to go; BWIA is to be given to Acker; Tanteak is to go; TSTT is further to be privatized. Critical state enterprises have been sold to favoured groups and individuals without any rigid public scrutiny, transparency or accountability by the Parliament of this country.

A number of these transactions are suspect and reek of undervaluation and corruption. Reference is made to the sale of Urea, Fertrin, Methanol, Trinidad and Tobago Printing and Packaging Company, National Fisheries Company Limited and Farrell House Hotel. The Minister said that we have realized US \$377 million through the sale, yet no proper accountability exists.

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Any government which seeks to sustain economic development must pay attention to the growth in national output and employment, as well as attach critical importance to developing the indigenous capacity to sustain growth with equity over the long run.

The recent sale of National Fisheries Company to a Taiwanese firm is tantamount to a national scandal. What were the evaluating criteria used by the firm of Mark, Castillo and Toney for the disposal of this company? Mark, Castillo and Toney was assigned the role of liquidator.

It is our understanding that a group of nationals bid and offered the best prospects for long-term development of our deep-sea fishing fleet. Notwithstanding, the Taiwanese firm was given National Fisheries on a platter. The United National congress would like to find out the process and evaluation criteria involved in the selling-out of National Fisheries to a group of foreigners. The whole process appears to be undemocratic, secretive and corrupt.

The Government's entire programme of privatization is clothed in secrecy and is terminally flawed. The "fire sale" approach would not in any way strengthen our national capacity to sustain long-term growth.

Mr President: Sen. Mark, your first 45 minutes has ended. I take it that you need the other 15 minutes.

Sen. W. Mark: Thank you very much, Sir.

We wish to serve notice that a UNC government shall review and, if necessary, revise every single transaction entered into by this sell-out Government, involving the sale and disposal of the nation's capital assets.

Mr President, we would like to know the amount of fees paid to the firm of Mark, Castillo and Toney for this smelly and suspicious transaction involving the sale of National Fisheries. I hope that the Minister of Finance can provide us with some answers.

The UNC is extremely concerned about the fate of the manufacturing and agricultural sectors. With the hasty removal of the stamp duty and the import surcharge, the domestic market would be flooded with foreign imports. This is to take effect in January 1995—with none of the requisite systems in place to protect the local manufacturers, things such as anti-dumping legislation, unfair trade practices, monopolies commission, upgrading of the Food and Drugs Division as well as the Bureau of Standards, among other things.

The tariffication of locally produced agricultural goods and their ultimate removal will lead to the destruction of our local farming community. Our farmers will have to compete with highly subsidized foreign agricultural production with little protection being offered by this Government.

Who will benefit from this so-called good news? Certainly not the local farmers, but the oligopoly grouping which is currently responsible for the importation of basic goods, including food.

The liberalization policy is subjecting the national productive sectors of our economy to ruinous competition from imports, and it is also anti-developmental, since it offers the majority of people little hope for economic improvement.

The Minister of Finance seems to be very pleased with the success of his Government's economic programme over the last three years. He tells us that the regime has managed to restore strong growth in the economy, which he intends to sustain. He tells us that the worst of a long and arduous journey is over, if only we can stick with the PNM's sound macroeconomic framework. Indeed, there can be no turning back on the reform process, says the Minister.

But the PNM has no programme of reform of its own as is well known. It has been under the strict supervision and control of the international financial lending agencies, especially the World Bank and the Inter-American Development Bank, and is now trying to delude the country by claiming the programme as its own. An analysis of the Government's social programme leaves little or no room for the kind of enthusiasm demanded by the Minister of Finance.

When we talk about being on the threshold of a strong and sustained recovery in economic activity, this should not only be reflected in a rising employment trend, rising incomes trend and a falling poverty level, but also in a consistent reduction of our nation's heavy dependence on imports for basic production activities.

Employment expansion must be at the centre of economic strategy. For how an economy can really grow when there are more than 100,000 able-bodied people idle is anybody's guess.

The rampant market philosophy which is the ideology of the new right is alien to our historical values, since it lacks a sense of social justice. It subverts the role of the Government and has no place for national dignity in our society.

Development is not merely about physical capital nor foreign exchange reserves, nor positive balance of payments, nor faithfully servicing one's foreign debt, nor satisfying the whims and fancies of the international lending institutions. Development is a social process rooted in the cultural realm. After all, the purpose

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of economic development is to create a good and just society. No society should ever give priority to future growth over current misery.

Sir Arthur Lewis warned us in the 1950s: No plan will be successful which makes output its goal rather than consumption, or which gives excessive weight to future consumption at the expense of current needs. Men who waste public funds can hardly expect public cooperation.

The combination of chronic unemployment, declining living standards, worsening real incomes and reduced ability to purchase both vital necessities and comforts has changed the cultural matrix in our country. Profits and prices are running amok whilst wages and salaries remain compressed and depressed.

More than a decade of downward adjustment has made our people increasingly cynical about politicians and governments.

11.30 a.m.

The new socio-economic model of unrestricted competition does not appear to have a need for poor people. Poor people seem expendable in this so-called new order. But, the poor have feelings, and if we continue—I wish to warn the PNM—to wrong the poor too much, we suspect that they shall one day take wings; tomorrow it shall no doubt reap a harvest of storms.

The economic miracle of some of the economies of the Far East and the South East Asian countries was not entirely due to the miracle of the marketplace. The Minister has sidelined that point. We wish to warn the PNM that in their undue haste to create this so-called new order, they do not throw out the baby with the bath water. If we are not careful, the dream of Trinidad and Tobago becoming the global city of the Caribbean may well turn out to be a nightmare, since Trinidad and Tobago may well become the cocaine capital of the region.

Both the guiding and visible hand of the Government and the driving spirit of the entrepreneurial class featured prominently in the Asia and South East Asia success stories. We have the responsibility as a nation of rethinking our development policy and process. The stakes are too high and time is not on our side.

It is time that we reclaimed our heritage. It is time that we reclaimed our sovereignty and independence. It is time that we took charge of our affairs once more. It is time for our people to stop being chauffeur-driven and assume direct control of the country's steering wheel! In a word, let us take back our country from the drug mafia, from the parasitic oligarchy and this unpatriotic, corrupt and

absolutely sell-out PNM administration. It is only then that we shall move forward. It is only then that we shall be enlightened and fully liberated in our country.

In the spirit of camaraderie, we on this side would like to take the opportunity to extend to you and your family, and to extend to both friends and foes and their families as well, warmest felicitations and a reflective and soul-searching 1995.

Thank you very much, Mr. President.

Sen. Dr. Eric St. Cyr: Mr. President, I am once more very happy to be here, and to make a contribution to the debate. I believe that this is the very essence of democracy, that we should talk, and talk things out, and talk things through, and perhaps, far from being an exercise in futility, as I have heard the phrase used, the budget debate is perhaps the high point of our democratic activity in this nation, and I think we should continue to keep it like that. I do not think we should pull any punches; we should be kind and disciplined and polite, but we must also make our points of view well known.

If I may refer to the game of cricket. I once used to go in first in school days cricket but the partner was usually so nervous that on the way to the wicket he would say he had to take the first ball; he was so nervous he could not look on to see me take the first ball or he would drop. I think I am in a similar position here.

I believe that any truth taken to extreme takes one into error. I think the budget, as presented, is good news; at the same time I think that there are tremendous problems in the country. As I listened to the hon. Minister of Finance today, and watched him on television a week ago, I could hear good, good, good, good. As I listen to the response, I hear bad, bad, bad, bad. I believe that there is an element of both and it behoves us to search and see where the truth lies.

Let me begin by reminding us of some of the historical antecedents to where we are in this country. We must begin by stating that this country, this society, is a relatively young country. Most of the developments took place as recently as the 19th century.

Prior to about 1908, we were an agricultural society based on export agriculture, largely, with some domestic agriculture. We moved into an oil-based dual economy in the first quarter of this century; and in the 1950s we came into the newly found policy of industrialization. The 1960s saw state capitalism come in partly by default; and in the 1970s we moved into some heavy resource-based industrialization with the State in the driver's seat.

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If we were to cast our minds back to 1973—which is 21 years ago—we would get, perhaps, a better perspective than if we were to take the hey-days of the late 1970s as the norm by which to measure where we are and the level of performance.

In 1973, if we recall, the price of a barrel of oil was just US \$2.00 and levels were quite modest. I must say that by comparison with the rest of the Caribbean, Trinidad and Tobago was well placed and I think we should keep praising the Almighty that we are blessed with one of the most robust foreign exchange earners, petroleum, and we must never, never forget that.

We had a second oil shock in 1979, when the price of oil jumped from US \$10.00 per barrel to about US \$35.00 and we really behaved at that point as though we were among the wealthy in the world. I keep saying that quite modest, middle-level people in this society were educating two children abroad, a thing unheard of in Japan or in the wealthier states of the United States of America. I really do think we got our sights and perspectives far out of reality in that period between 1975 and 1985.

When the third oil shock came in 1983, with the price of oil dropping precipitously from US \$35.00 per barrel to US \$10.00 per barrel—if I may share here, there was an exchange rate adjustment sometime then based on a certain projected oil price. Overnight the price of oil went from \$28.00 to \$10.00. At that time if one did not have courage I think one could have given up. Hon. Senators probably want to know how I know this—I then assisted in the preparation of the budgets of this nation as a technician sitting at the right hand of the Permanent Secretary at the time, so I do have some idea of these matters from the inside.

11.40 a.m.

If I may briefly characterize the adjustments we have been going through since 1980 or thereabouts. We saw this country grapple with the problem of downward adjustment of levels of living and that was difficult enough. But downward adjustments of expectation are the big problem. There was a phrase being used—“seeking for a soft landing”. I personally believe that given the economic downturn, the magnitude of the drop, the situation was managed extremely well.

We had very, very little chaos in this country—I would say that the trade union leaders of this country acted in the most responsible way and they are to be complimented. In many other countries were it not for the wise, strong and balanced leadership which they gave—and if I may say this—often the rhetoric is

matched by a mature appreciation of the reality in our trade union leaders—and I want to compliment them.

The second adjustment phase came in 1986 to 1991 and at that time the country's international debt-bearing capacity was used to cushion the adjustment. We went further into foreign debt as the mechanism by which we worked that adjustment. What I think happened in that period was also most important and most significant. We were changing economic direction at that time and I think the good Lord has been with us because it would have been extremely difficult for the same persons to have changed direction. We had a change of personnel so that the country was able to change direction without its leaders looking two-faced.

Since 1991 we are continuing in that new direction pointed, and I am happy to say that the Government from 1991 did not undo many of the things which had had to be done, but continued in the broad general direction using, in my view, the last reserves of this country, its well-accumulated stock of state-owned assets. This is all I see in the divestment programme—when one adjusts one uses reserves which had been accumulated, stashed away, hidden in various forms in the past.

Very often when we debate in this country we get the impression that we are an economy of continental proportions: wealthy, large, able to set the pace in world affairs. I do not think this is at all realistic. We are a small country and there are tremendous historical constraints as well, and if we are wise we must behave in a way consistent with this. My very old schoolmaster used to tell me a joke of the elephant and the flea, the flea saying to the elephant: “Mind whom you are pushing.” We need to be very careful that we know who we are, and we also know the reality out there and that we have to earn our living as best we can—in my view, discreetly putting our contribution onto the world stage and drawing there from the best we can.

There are a number of very well-known theorems pertaining to the small open economy. The range of goods and services we use is wide; we cannot possibly produce them all—the laws of specialization would constrain us in that direction, so our best policy is to concentrate on a selected few, contribute that to the world supply and draw from that wide pool the smaller quantities of the vast array of goods and services we need. We must be flexible, we must be nimble. There is a phrase that I just want to remind us of: As a society we must be educative, that is, aware and able to move and adapt rapidly. The world is not going to wait on us, the world is going on and we have to size up these situations and move with speed.

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Let us not get away from it; there is no alternative but to participate in the world economic and social system. Since most of the things we use are imported, it must also follow that the bulk of our production must be exported. The policies of the 60s—which were inward looking—I would think without any doubt that they were wrong, and we just have to look outward with all our eyes wide open and move in that direction. I believe our production must be resource based—here, I am referring both to natural resources and to human resources.

I am very, very happy that the debate is emphasizing the human resource, because having spent over 40 years in the area of education, I have seen lots of good, but as I look around the country I am appalled at the low general level of practical education for life, a lack of sophistication of the population. One cannot understand, after decades of free public education, we have the human resource so badly developed. I believe that the lion's share of our social investment should go in that direction even over and above health and relief measures, concentrating on the children and the young, all the way up to the age of the 30s, continuously building up a stock of expertise and not forgetting attitudes, since attitudes invariably determine the nitty-gritty of technical skills.

11.50 a.m.

In all of this, how we organize ourselves for economic production must be key. In the debate so far, I keep hearing emphasis, on one side, on distribution, and that is good. I also, on the other side, heard emphasis on distribution. I think the Minister's emphasis is on distribution as well. Where I do not think we are getting to the core of the problem is that we are not addressing production. In the end, one cannot eat or distribute what one has not already produced. I believe that we really have to bias our policy in the direction of production.

The discipline from which I come has done public policy a disservice by introducing an emphasis in the last 40 years or so on jobs and employment. I believe that the people before Keynes emphasized income rather than jobs. You can give a man a job doing nonsense and when he takes the pay you put in his pocket to the shop, there is nothing to spend it on because in his doing nonsense he produced no goods which he could spend it on. I really believe that increasingly we must get the eyes of the nation towards production.

I am not going to say that the jobs will follow, because it is very well known that there is no tight correlation between income growth or income decline and employment or employment decline. I would not say much about that, but the first international work I myself published demonstrated this clearly—and this goes

back 30 years ago—that when production falls, firms do not proportionately reduce their labour use. Similarly, when production rises there is an invariable slack which one uses because one has been carrying more labour—and for good reason. If one dispenses with labour, when the upturn comes there would be the job of recruiting and training; whereas if the stock of labour is held, even though underutilized, when the upturn comes one would be ready and one could get in there faster. So that there is good sense. I am primarily saying that I believe we must take our eyes off the concept of jobs and put them on the concept of income creation, because that is where it is.

I want to make some brief remarks on the policy of privatization. Just as Keynesianism and state intervention was the early post-war ideology, so too today economic liberalization is the current paradigm. We learn—and we cannot in this country behave as though we learnt no lessons in the last 40 years here or in the rest of the world concerning economic organization. Economic statism did not completely occupy the stage, and so too liberalism will not. There will always be a mix of the two.

The question is, as we come to the divestment issue, in my view, how far and how fast? We must always remember that there is an objective to be attained and keep our eyes on that. I think we may want to ask ourselves the very pertinent question relevant to this society: Did we try to run too fast in a certain direction in 1989 and 1990; and, did we run into a major pitfall somewhere just after the middle of 1990?

I personally think we have no option but to divest much of our publicly-owned assets. We must never, however, throw the baby out with the bath water, however spoilt that baby might be. Just as statism was a pragmatic policy, so too must divestment be case by case, our objectives being met, never an ideology.

Some brief remarks on the exchange rate regime. One of the most refreshing comments in the budget statement comes right at the end where the hon. Minister of Finance said that for the first time—for a long time I think he meant—the budget was being presented against the background of no speculation against the currency. I think this really is a refreshing statement.

The managed float of the TT currency has been a resounding success.

Sen. W. Mark: Managed, not free.

Sen. Dr. E. St. Cyr: We must say hats off to the Minister of Finance and his able team of technocrats. I can see no turning back from this, even though I,

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personally, have sometimes feared for the efficacy in critical circumstances. I am coming over here as having modified my position. The reason is very simple.

If there develops in a country of this size, a panic to export wealth, there is no exchange rate that can stop that. And so, I have always feared that were something like that to happen, a free-floating exchange rate could put such pressure on the mass of the population as to cause panic. The issue really is that the exchange rate is a key price in an economy such as this, but it is just another price. If it could be demystified, such as a market-determined system does, it would be all to the good. I believe that we have been responsible as a nation, and successful.

12.00 noon

I would, however, like to say that we must be very watchful and very cautious in how we manage the whole social fabric; and in his presentation, the care with which the hon. Minister spoke—that as things improve you balance and give a little here, give a little there, so that we can all move together—I think, is indicative of his appreciation of this point.

I must say something briefly about agriculture. Others are more expert than I to address this area, but I believe that it is so fundamental as to call for a foundation statement. Agriculture is the basis of all economic activity—neglect it at your peril. And even despite the fact that we have a Creation Covenant to dress the land and keep it and subdue it, which would be, by itself, sufficient reason to see the entire land space of all countries occupied, properly husbanded, cared, cultivated and used, there are, I dare say, some fundamental technical economic reasons which I do not think are well understood and this causes us, sometimes, to dismiss agriculture.

The Senate Minority Leader speaking here referred to the distinguished Sir Arthur Lewis and I want to say, yet again, that often we have not attributed sufficient credit to this great man. He, I believe, has been misunderstood as advocating the emphasis on industry at the expense of agriculture. This is far from the truth.

If I were in a professional circle, among economists, I would talk about the closed model and the open model of the Lewis paradigm. In both cases agriculture is key to the success of economic policy. In a closed setting with no trade, manufacturing and secondary industry can only expand at the rate at which productivity in agriculture allows, because the people engaged in secondary and tertiary production must eat and must have raw materials with which to work.

Therefore, a productive agricultural sector is a necessary prerequisite of industrialization and the development of services—and that is in a closed setting. So that Sir Arthur was not advocating the neglect of agriculture in favour of industry. He was arguing that when you have taken agriculture to such a high state of development, it naturally permits activities elsewhere and provides the market also for the supplies of that industry.

The open model with international trade is where we quite often think, “Well, we do not have to bother with agriculture,” and that is wrong. And I really want—I am speaking as though this is the last opportunity I may ever have to put this into the record—I really want to say that internationally, if you do not raise your productivity in agriculture and focus on secondary and tertiary production, all that will happen is that by deteriorating terms of trade, you would lose all the benefits in your manufacturing and service production, because it is all anchored to productivity in primary production.

The nations of the world know this—America knows it; the European nations know it; Japan knows it. So if we are going to develop tourism, the anchor has to be the level of productivity in agriculture; if we are going to develop heavy industry, it has to be anchored to productivity in agriculture; if we neglect our agricultural sector, we will simply export cheaply and the foreigners will reap the benefit of all our developments there. I almost go as far as to beg this country to heed this lesson.

I believe that the hon. Minister has presented a good budget and must be complimented. My major criticism is that it emphasized the demand side. Our problem is not so much managing poverty as increasing wealth. I know he gives tax incentives and so forth to the business sector, and on this I believe that as a nation we must move in the direction of paying greater respect to the employers in the nation. Job creation can only come if there are job creators.

We have in the transition from the old regime to the present regime, I believe, pulled down our business leaders and represented them as all wicked; and I believe that we must know that there are good and upright people everywhere—among the poor there are upright people; among the rich there are upright people.

I have sought to take a broad-based philosophical perspective and trust that in so doing, the debate will have been advanced. I have sought neither to query the numbers nor to enquire about such specifics as who would pay the 6 per cent on insurance premiums, whether the company, or whether this would be passed on to those who buy these insurance covers. Let us lift our eyes and scan the forest—

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the whole big panorama of what we are trying to do in the nation—and let us not focus on the trees. Let us look at the welfare of the entire nation.

12.10 p.m.

On the macroeconomic out-turn, the so-called fiscal out-turn, I personally wonder whether the Minister could not have gone more on the capital expenditure. I know the figures indicate he has almost doubled what he is doing there and I know he is cautious not to run into a fiscal deficit, which ultimately would impact on the rate of inflation and tamper with the exchange rate, but as the residency sector expands—and I believe that a great deal is happening in domestic agriculture, domestic construction—there is room there for genuinely created monetary expansion and that only comes through the so-called net domestic deficit, which is that part of the money base.

I would, myself, as a cautious person, not be inclined to push it much beyond where you have pushed it, but I am just opening the question so that when we see what happens this year, perhaps next year we could be wiser on that.

I thank you, Mr. President.

Sen. Jaigobin Nanga: Mr. President, let me first say that all that glitters is not gold, and, I wish to remind my friends on the other side that when you cast pearls in front of swine—you know what will happen. Sometimes I feel that there is a little dictionary which has been made by a certain political party, and I wonder what sin I have committed to have to come and hear the same words, the same language, month after month. If we continue for the next two years and they are in that same position—because that is where they will be—we will continue to hear those few words from this dictionary which they have prepared.

We want to make it quite clear, as a Government, that we are not concerned only about big business and political oligarchy—and today I heard a new word. This is a Government for all the people, no matter what colour, race or creed. No matter your stature in life, we are trying to make a better Trinidad and Tobago for all the people. If it were possible in one budget to find all the problems and find solutions, then in 1956 we would have done this and we would not have the trouble to come and hear what we have been hearing from some people, week after week.

We are not professing, as a Government, to be able to solve all the problems. We have six problems that we cannot deal with in a budget; we will deal with that at election time. Even the problems that we find, we cannot find solutions for all

of them. But year after year we will come with a budget and try as best we can to deal with the problems and see, after one year, what our achievements are.

I am going to dwell very briefly on local government and touch here and there on the Ministry of Works and Transport. In local government this year, as we have been doing since 1992 and 1993—

Sen. W. Mark: I did not know you were in local government, Nanga!

Sen. J. Nanga: I am in Government, both local and central. He is in Opposition so he does not understand Government.

Our thrust, since 1992, 1993 and 1994, and moreso next year, would be to deal with productivity and accountability, not only in local government, but we will introduce that also even in the Opposition.

We want to say on this side of the House that we are very pleased with the productivity which has taken place so far under this Government. We would like to see much more done, but every attempt we make to deal with productivity and accountability, there are some misguided unionists—not like those spoken about in the '70s, but some misguided souls of the '90s—that will continue, not to teach their members—*[Interruption]* I said, some, not all. What some unionists have, over the years, been more concerned about, is receiving their union dues, their pay packets from their workers and not really worrying; and every now and then, making them march around the Red House or some Minister's office and not trying to educate them. We have started such a programme and we will continue in 1995.

In local government, as we have started to amend the Municipal Corporations Act; we will begin in 1995 and we will continue onwards. Training is going to be a major part of our thrust in local government, and as I said before, not only in local government, but throughout the service. We are going to deal with financial management, physical management, supervision and personnel management, so that we will train our workers, at the end of the day, to be more productive and more accountable.

We have this problem, but if there is no accountability in a ministry or one department, are you going to blame the Prime Minister or the Minister? This is where the training is going to begin so that our people would be a little more equipped to deal with their work in their various workplaces.

Generally, in local government, like in the Ministry of Works and Transport, there is going to be a massive thrust in improving drainage and local roads. As a

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matter of fact, in 1995 the Ministry of Works and Transport will undertake massive road repairs, but not only to roads and bridges, but to drainage as well to ease flooding. There are a host of other activities in local government, which I will not elaborate on, including markets and street vending—which has been a problem—encouraged by some people in this country. We will deal with these matters. We will deal with cemeteries and playing fields—Sen. Capildeo knows that as Chairman of Tunapuna/Piarco, I started at the place where he might be cremated—Caroni—wonderful works being done there—and electricity.

I want to quote some figures because there are people all over this country who feel that there are certain sections of the community which are being given a raw deal. I want to quote, under Irrigation and Drainage, what is going to happen. In Princes Town: irrigation—\$300,000; and for roads and bridges—\$285,000. In Debe—\$200,000 for drainage and irrigation; and \$507,000 for roads and bridges. You might say that I am only quoting Debe and Princes Town, but let me go to Rio Claro—\$135,000 for irrigation and drainage; \$919,000 for roads and bridges.

12.20 p.m.

If you want, I can quote the figure for Tunapuna, part of which belongs to the East-West Corridor—most of it belongs elsewhere. In Tunapuna—\$330,000 for drainage and irrigation and \$1,182,000 for roads and bridges. I will not bore the Senate with all the figures, but this shows that there is equitable distribution in local government regardless of where the regional corporation, city or borough is located.

We have heard so much about employment. One speaker said, and it is my view also, that employment is not only finding jobs but productivity. Employment must not only be an income earner but at the end of the day you must say, “I have done a good day's work and I am receiving a good day's pay.”

The problem in this country with respect to employment or even unemployment is that people want positions for which they are not qualified. The Leader of the Opposition wants to be Prime Minister; a unionist wants to be leader in the Senate; persons with two O'levels want to be bank managers and they expect when they get these positions they would just sit down. *Interruption*] On this side any one of us could be anything from Prime Minister down. That is our qualification.

Many people do not want employment to suit their qualifications but they want the money at the end of the week or the end of the month. There are, I know, several hard-working people all over this country, in every field, but we have to

bear in mind that there are people who just go and sit on the job site and do nothing. We hope that responsible trade union leaders will educate their workers to give a good day's work for a good day's pay.

To show that we are quite concerned about employment—in almost every corporation there was a reduction in the number of employees, and what do we find? In each corporation where there was a reduction, take Tunapuna/Piarco for example, almost 500 persons going, but the wage bill continued to remain almost the same. If one looks at the Ministry of Works and Transport and even local government, one would find that at least 50 per cent of the money allocated goes to wages and salaries. Goods and services—25 per cent in these two ministries.

Before going to roads and drainage in the Ministry of Works, I want to advise that persons in the various regional corporations must find out which roads are their responsibility and which roads and drains are controlled by the Ministry of Works and Transport.

This year local government is going to receive at least \$440 million. Most of it, as I said, would go towards the paying of wages and salaries. I want to deal briefly with the Ministry of Works and Transport.

In addition to all the work that has been done as far as local roads and drains are concerned, from 1992—1994, and that will be done in 1995, the Ministry of Works has been and will be involved in the construction and maintenance of schools. I do not want to touch on education, but I want Senators to understand that Sen. Capildeo visited many of these new schools upon the invitation of a certain board and was there at the opening of at least five new primary schools in 1993/1994. We belong to an organization and we are very happy about Government's contribution to that organization.

Employment: In July/August of this year I supervised some school repairs to that same organization—\$1.3 million given to 10 of these schools to be repaired. I do not want to go into the figures of how many persons were employed during those two months but I can tell you it was a large number. Even now at this late stage in the year, at El Socorro a new annex is being built through the Ministry of Education—\$242,000.00. The Ministry of Works played its part from 1992—1994 and it will continue to play its part in education.

The Ministry of Agriculture has been involved in agricultural access roads, so that our thrust in 1994, and more so in 1995, will be roads and drainage. In addition, \$1.1 million will be spent on drainage: \$500,000 in Caroni and \$650,000 in Maraval. Further, roads and bridges throughout the country will attract \$87.4

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million from the Ministry of Works. We shall rehabilitate the highways in the sum of \$6 million. The Solomon Hochoy Highway extension to Cipero will cost \$2 million and the dualling of the San Fernando Bye-Pass another \$2 million. That will bring great relief to the people of Penal and those southern areas. Cipero will also benefit and we have provided good roads for Maloney, Bon Air and so forth.

Flood control: Studies in the Beetham/Laventille area will continue to help alleviate flooding in that area, so that even Suren could go to Beetham.

Drainage and flooding: Caroni River, Vistabella, Marabella, Cipero, Caparo, North Oropouche, Guaico and Cumuto areas; we will continue dredging and doing work, and there would be much improvement in the drainage system in 1995.

In the East-West Corridor, which has experienced flooding, the Caroni River will take in the highway so that there would not be any disruption in traffic when there is a little flood. The Oropouche Lagoon—drainage; the coastal protection in Tobago—these are some of the areas that we will deal with in 1995 with respect to flooding and drainage.

Road repairs: When you drive on good roads, it is part of the tax you pay. We have to emphasize that it is not \$50 million that was handed to the Ministry of Works at one time. This money was collected over a period and so, that is the way the work was undertaken, a little at a time. But, come 1996, if they are still around, they would be praising us for the good work we did on road repairs.

As far as road repairs are concerned, we have to admit that we have been the victim, to some extent, of WASA leaks which we are now addressing. Most of the mains are old, they are almost gone, and you would find from time to time the roads would be fixed today and a leak might develop soon after.

When the PNM came to power in 1956 we never believed this country would be so prosperous; that there would be five and six cars in one family; that these large trucks and lorries would traverse our roads. And so in 1994/1995, we shall address all these utility matters in local government, and we are hoping, since we have been addressing local government so well, that in 1995, it would not be 10 out of 14, it would be all 14.

I thank you, Mr. President.

Mr. President: The sitting of the Senate is suspended and will resume in an hour.

12.33 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Sen. Michael Mansoor: Mr. President, I am indeed very privileged to be participating in this 1995 Budget debate. As it turns out, I believe it is the ninth occasion that I have been so fortunate as to be able to say a few words on such important matters of state. Over the last few days I looked back with some dismay at some of the words I used in previous years. I could not help noticing the difference in the language and the framework that we used in approaching budget debates in the early days of 1987 and beyond.

We have been through incredible turmoil in terms of our economic lives and management. It is also true to say that in just about every budget debate that we have had, and every budget that has been presented to this country, our population has been put into a state of turmoil, whether it be increases in the price of gasoline, cigarettes, tobacco or interest rates. On this occasion we are being told that this is essentially a good news budget, as one journalist put it.

For the first time in a number of years the news on the surface does not appear as bad as it might be. In fact, I think it is true to say that if one looks at most of the key economic indicators, there is some cause for caution, but there is also some cause for optimism. If body language means anything, I have detected in the agile frame of the Minister of Finance, wherever he is, a degree of confidence which, I think, is based on the apparent improvements in economic matters.

As on previous occasions, it is my intention to start off by looking at some of the macroeconomic indicators which would tell us how we have been doing economically. Then I would proceed to deal with some of the revenue measures and matters of expenditure, and if time permits, a few matters of perhaps heightened political significance in recent times.

One of the major economic developments in recent times has been the flotation of the Trinidad and Tobago dollar. I remember very well that it was an Easter weekend that we came here to debate this and many of us expressed our own fears, but I believe that there was general support for the Government's initiatives. If one looks at the country's net foreign reserves—I am looking at Appendix 26 of the *Review of the Economy*—one can see very clearly and quickly that the net foreign position in terms of money in banks in Trinidad and Tobago and the Central Bank—the quantum of those funds—has increased quite substantially over the years.

For example, we would see that at the end of 1988 and 1989, we were in a minus position, whereas in 1994, the net foreign position has always exceeded US

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\$100 million, and in some months had surpassed the \$200 million level. It would appear that the flotation of the dollar has been successful.

The fears that I had that participants in the economy would be inclined to move their assets from local bank accounts to bank accounts abroad in order to take advantage of movements in the parity of the Trinidad and Tobago dollar, appear, to date, to have been somewhat unfounded, in that the foreign assets held in commercial banks have been consistently on the increase. To the extent that foreign reserves tell us something about the economic health, this country has done reasonably well, while at the same time, having to deal with a very onerous capital external debt burden.

Another indicator of economic well-being is the much vaunted 4 per cent increase in gross domestic product. I must say that I bring to this particular table, which I believe is Appendix 1 and Appendix 2 of the *Review of the Economy*, a healthy amount of scepticism in the sense that numbers are just what they are and sometimes they do not portray real economic growth. I sincerely hope that on this occasion the 4 per cent growth is real. One must note that it has come about in the main because of the rather favourable economic prices that we have had in the oil and petrochemical sectors.

I say that because one always has to remember that it takes a bit of time for such isolated areas of growth and buoyancy in the economy to filter through to the rest of us. I think that I can safely say that I am buttressed by that view, due to the fact that most persons would have been pleasantly surprised that the expected growth in the economy for 1994 was estimated to be 4 per cent. That tells me that the growth has not filtered through to the mass of our citizenry.

It is also important to note that there has really been no growth of any significance in the manufacturing sector. The GDP at constant market prices, I think they are 1985 prices, was \$1291.5 million projected in 1994, as opposed to \$1285.7 million in 1993, which statistically means that there has been no growth in that sector.

When one looks at another variable, the question of unemployment, which is perhaps the country's biggest economic problem, one is told—if these statistics are to be believed—that there has been growth in the number of persons employed. We are told that in agriculture, forestry, hunting and fishing we have had an extra 9,000 persons employed, and that in other manufacturing there has been an increase of about 4,500 persons.

I am not going to make an issue as to the accuracy of these numbers, but I find it somewhat curious that with a flat performance of the manufacturing sector, which is what the GDP analysis tells us, there has been an increase of about 4,500 new persons working in the manufacturing industry. Those two things, if we are talking about manufacturing in the same way, do not seem to make obvious sense.

1.40 p.m.

It appears that some jobs have been created. I certainly hope that they are sustainable jobs, but this is something which has to be monitored because a simple statistic for the second quarter of 1994—while it is cause, in these circumstances, for some hope—is not a definitive indication that we have by any chance licked the unemployment problem, which is one of the country's most significant difficulties.

It would seem, if numbers are to be believed, that we have been doing reasonably well. I will state, in support of that view, one other statistic which appears in Appendix 13 of the *Review of the Economy*, where the overall deficit of the country is shown at the middle of the page, and where it is very clear, if one looks at that schedule, that whereas in 1986 the overall deficit was of the order of \$1.012 billion, in 1993, it was a deficit of \$39.1 million and it is projected to be \$75.1 million in 1994. In terms of economic financial management, the fact that the deficits have been brought under some sort of control is, in fact, an indication of some progress, if you will, from the dark days of the late 1980s.

I now turn to the matter of revenue and how the Government proposes to deal with its need for taxes in 1995. At the outset, it is important to note that the revised estimate of total tax revenue for 1994 is \$6.1 billion and that in 1995, the budgeted amount of revenue from taxation is \$7.3 billion. This means that the Government intends to derive from the population an extra \$1.2 billion in taxes, a growth of some 20 per cent. Notwithstanding all the blandishments of reduction of this and that tax, the stark reality is that in 1995 the Government will be extracting, for its own purposes, some 20 per cent more revenue than in 1994.

Immediately, one has to wonder why there is a need for such a significant increase, beyond the question, of course, as to whether that increase will be realized. That concern is heightened when one considers, as the Minister of Finance said so very clearly this morning, that the absolute amount of the capital budget, as far as central government is concerned, is on the low side. I believe that the figure is in the order of \$891 million, if one excludes the Pointe-a-Pierre refinery upgrade. It is a concern that I will come to later.

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Why the need for 20 per cent more taxation, given the fact that we continue to spend less on capital formation as far as the central government is concerned? That is a matter which, good news or bad, we have to consider. Why is this necessary? Is this good for the economy? Is this extra taxation in the hands of Government going to promote business growth? It has to be considered in that context.

If one may deal with some of the more specific elements of this proposed tax increase, one has to look at what the \$7.4 billion is made up of. It is made up of taxes on income and profits—\$3.8 billion; and very significantly, the expected tax take from individuals. Notwithstanding the reduction of some 2 per cent at the top level and increases at lower ends of the scale, the tax take is expected to be reduced by a paltry \$60 million.

Obviously, the Minister of Finance intends to widen the tax net, which is a call that many of us have been making on these benches for many years. The tax take from oil companies is expected to pass the \$1 billion mark, I believe, for the first time since 1992, when it was \$957 million. This, again, I think is vindication of the taxation measures which were taken in the petroleum sector a few years ago and obviously is an incipient result of the activity which has been taking place in that section of the economy.

What is curious is that the Government also expects to increase its take on VAT from an expected \$1.3 million in 1994, to \$1,641 million in 1995. This increase comes on the heels of an actual take in 1993 of \$1,163 million; so that what we are saying essentially is that between 1992 and 1995 we expect that the tax take from VAT will increase from \$968.6 million in 1992 to \$1,641.4 million in 1995.

I worry a little about the expected increase in 1995, particularly as there appears to be a shortfall from the original estimate in 1994. It is a very significant increase, and while I believe that the efforts of the Government to ensure greater adherence to the law—as far as VAT is concerned—will result in greater revenue, I am a little sceptical as to whether the country would be able to realize from this revenue measure an increase of some 25 per cent on the 1994 figure.

Another interesting increase is the quantum of import duties. As we know, the surcharges and stamp duties have been removed, and duties have been, generally speaking, reduced by 5 per cent in most cases. The Government, however, is estimating that in 1995 it will collect some \$812 million in import duties, as opposed to \$405 million in 1994. That does not seem to make sense on the

surface, but I suspect that the taxation on new vehicles coming into the country has been included in this figure for the first time and may be the reason for the doubling of that revenue item when duties have been reduced. I ask the Minister for clarification on that matter.

Another incredible increase in the revenue base comes from gambling. In 1994, the National Lotteries Board was supposed to produce some \$70 million in taxes for the Government, but in 1995, that figure is at \$200 million. As an economic matter, this may appear to be nirvana, "happiness". One can increase a revenue item by some three times in one year, but I am concerned that what this figure really means is that the gambling business is now a billion-dollar business. If one assumes that an approximate tax take of 22 per cent from National Lotteries is expected to be \$200 million, give or take a few million, we are essentially saying that this is a billion-dollar business.

There has been widespread concern as to the moral equation and, indeed, it is more than passing strange that games which were totally prohibited, and would have gotten a person into jail a few years ago, are now advertised. Beyond that there is the concern as to whether this money is making its way back into the economy. It will get back into the economy, but there has been some concern in terms of consumer spending at the start of this operation as to whether this is good for the country.

1.50 p.m.

I would ask again that the Government review its position on gambling matters. I am not so sure that it is a good thing for this country to have Whe Whe being, not the big event of the week, but the big event of the day. I do not know the time of the day the results come out, but I know that several people's lives, if not their dreams, have to do with what is going to happen. *[Interruption]* One o'clock, is it?

This matter goes beyond just revenue and I believe that if it starts affecting our younger people—and I see that the Minister of Education is here, perhaps to tell us about the youths of this country—if and when it starts affecting the youth, I think we are indeed looking at a cultural kind of development which may be less than good, to use that very broad term, when one considers the long-term development of the country.

Two hundred million dollars from National Lotteries in 1995 is an item over which I have much reservation. The other item of major significance in terms of the revenue base has to be extraordinary receipts. Extraordinary receipts appeared

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on the horizon for the first time in 1993 when the Government of the day decided that it was time to divest. In 1993 we harnessed \$522 million from, I believe, divestment in the main; in 1994, \$444 million; and in 1995, another \$544 million to come. In these last two years and 1995 to come, we have developed a new source of revenue: selling fixed assets, selling companies, selling state enterprises.

While one may look at the question of divestment as a separate matter, what concerns me is that in these years we have been able to put aside so little for capital formation. So that essentially, we are selling at good prices, bad prices, whatever prices, the “china” if you will; and at the same time we are not making satisfactory increases in the capital base of the country. So that, we have had a favourable wind behind us. We have sold these long-term assets which we purchased over a very long period of time, out of all sorts of long-term development funds—those of you who are students of budgets in the 1970s—we are essentially selling out the assets acquired from the proceeds of those funds and having regard to the very small amount of money—relatively speaking—that we are putting into capital, we are, in a way, spending those moneys on matters of recurrent expenditure. And that is a source of concern.

I would also like to point out that notwithstanding all that was said about borrowing by this administration and by its predecessors in office, we continue not to reduce the amount of new borrowings every year. For example, notwithstanding the net position, the gross position in 1995 is that we expect to borrow some \$2.2 billion, whereas in 1992, we borrowed in terms of new money, \$1,354 million.

We have not taken our foot off the pedal in terms of new borrowings and on a net basis we are doing reasonably well but we are still having to borrow new money in order to pay some of the capital on the old loans. So that in real terms when one considers extraordinary receipts and the amount of new borrowing, the revenue picture is very highly dependent on items which are not in the nature of recurrent revenue. They are items either by way of the proceeds of the sale of long-term assets, or alternatively new gross borrowing.

If one has to summarize, therefore, the residual concern that I have about this matter, it is that the total amount of increase in taxation revenue, which is about 20 per cent, is very high. I have my own fears as to whether all of that would be achieved and I also have some residual concerns about the amount of borrowing we would have to do on a yearly basis to keep the pot boiling. It is not as bad as it might have been in previous years, but the fact of the matter is that every new

year to date, we have gone either to the international market or the local market to raise funds in order to maintain our liquidity ratio.

I would come back, if I have time at the end, to deal with the divestment issue. I think it is very important for us to realize that we are selling the “china” and not replacing it at the rate we would all like.

It is probably useful at this stage to talk a little about the efficacy of some of the taxation measures which the hon. Minister has introduced for 1995. The first has to do with the insurance premium tax, 6 per cent off the top. It is easy in a budget debate to complain about incidences of increase in taxation—and this insurance tax is a new tax.

It really tells us in a very clear way that in the last 10 years, perhaps what successive Ministers of Finance have done in their very high-profile decision-making on budgets, is that they have essentially spent much time on deciding which pocket to take it from. This new measure of an insurance premium tax—I am told that we are “following the Joneses” because it has been very successful in other places—is a new way of getting revenue.

If I know anything about the insurance industry, this tax cannot be absorbed by that industry. So that what we are looking at is a net increase in insurance premiums for this country. The question is, is this good or is this bad? Is this a good way of raising revenue? Will it result in people insuring their properties at small values and perhaps not having any insurance at all on their motor vehicles, or will it have a neutral behavioural impact?

I am of the view that it is going to have a negative behavioural impact in terms of people's approach to risks and the avoidance of risk in the insurance industry, and therefore, while I accept that the Government has to raise the money somehow, it seems to me that, perhaps, that tax could have been got from other areas, but there it is.

2.00 p.m.

The removal of stamp duties—while it is not a revenue-raising matter as such; in fact it is a reduction of taxes—brings into focus the whole question of whether the manufacturers. We have adopted, for better or for worse, the philosophy that we must liberalize not only our finances but also our manufacturing industries. Basically, we are telling the manufacturers of Trinidad and Tobago that we do not want them to be in business unless they are world class and competitively so. That is the new message.

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This is very different from the buy-local campaigns that are somewhere at the back of my mind, and which I grew up with over the years. The change has to be made, we are told. The only question that arises is whether we are making that change too quickly, and whether we have had the amount of preparation, if you will, for the players in the manufacturing industry. The fact of the matter is that free trade is perhaps desirable, and does in fact, result in an increase in the wealth of the world, because of the specialization and all the other kinds of efficiency things that we know about.

In practice, the most vocal exponents of free trade do not always practise what they preach. They block you from entering their markets and they use all sorts of mechanisms and stratagems to do that. For example, if someone ever tried to get a product into the United States he would find out very quickly that it is not just a matter of deciding which freight carrier to use; he has to have his products approved by this bureau and that bureau, and it is just not an easy business to get into another country's market. Even in South America the standards are high, in terms of the difficulty that one experiences in getting one's product into those countries.

In the early days many of us in the private sector supported Government's liberalization moves because we were told categorically, and very clearly, that the Government would do all in its power to ensure that the playing field was level. That was the language that was used. We had anti-dumping legislation—which, I remember, most of us worked on in this House; the whole question of stripping stations; we talked about pre-shipment inspection procedures, and the port of export. We talked about what the Bureau of Standards was doing or not doing. The Bureau of Standards tends to tell you that it does not have money to enforce this or that labelling requirement. Then there was the question of an importer's registration programme.

Notwithstanding the relative merits of any of these individual initiatives, the fact is, I am not of the view that come January 01, 1995 this country would have put in place and into effect all of these measures which were promised in order to guarantee a level playing field. I ask the Government: Why not? Is it that we wish to destroy a sector that has produced well, even in an outmoded economic environment or, even with an outmoded economic philosophy?

These measures are very important; they have to be implemented. It is not a matter of rhetoric or theory. Our lives depend on levelling the playing field and making sure that we are not exposed to unfair competition.

There are countries not very far from here which enjoy very significant currency advantages. They have larger home markets, lower wage rates and if we are not careful they can destroy our manufacturers if these measures are not put into place. I say again, liberalization, yes; but you must have a level playing field. The best information I have is that these practices are not operational today and people could get themselves into severe financial difficulties if that is not put right.

I would be glad if a representative of the Government would tell me that these measures are in place, or they are being put in place. I have very serious doubts. We ignore these requirements at our peril, because receivers will come in and take over some of our small manufacturers if we do not ensure that there is a level playing field. Notwithstanding the fallout that would come about because of inefficiencies—perhaps, that is our strategy and that is fine—there must be a level playing field.

The 5 per cent duty on imports—we have talked about it year in, year out, and I expect that Sen. Rahael will mount a spirited defence for the perpetuation of this particular tax. So much for customs duties.

There is another matter which I would like to raise. It has to do with interest and corporation taxes. I have been making a very clear appeal in the last few months for a reduction in both corporation taxes and interest rates. Corporation taxes have been reduced by 7 per cent; however, interest rates remain high. It is very clear that if we are going to foster growth—the growth of jobs, the growth of economic activity—both of these factors have to be looked at.

In 1994, the Central Bank reserve requirement was increased on two occasions by 2 per cent, so there was an extra 4 per cent that was taken out, which triggered an increase in interest rates. There may be very good reason for keeping interest rates at that level. One theory is to assist that level in order to assist the parity of the Trinidad and Tobago dollar. The fact of the matter is that high interest rates—notwithstanding venture capital, notwithstanding mutual funds, notwithstanding all of those things—in an economy and a private sector that is so heavily dependent on loan capital as opposed to equity capital, is an inhibiting factor. I would like to move on to items of expenditure. It is very clear that not much has changed in terms of the aggregates of expenditure for most of the ministries.

2.10 p.m.

Essentially, if one wanted to summarize one might say it is business as usual. The major increases in expenditure have come about because of the provision of

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some \$360 million in terms of the settlement of arrears and that, as we all know, is an old matter which has finally come home to roost. No provision was made for it in prior years, and some \$360 million would have to be provided in 1995.

Another major change in terms of the expenditure base has to do with the public debt. There has been, as a result of the unbunching of the external debt, a reduction of some \$512 million in the amount of external capital repayments. What concerns me is that, in fact, the amount that has to be expended on interest payments has increased by almost 25 per cent, from \$1.3 billion in 1994 to an estimated \$1,657 million in 1995. So that there has been a very significant increase in the interest payments that have to be made on both our local and foreign debts. This has been, perhaps, cushioned by a reduction in the relative capital payments or, if you will, a postponement of the payment of debt.

This makes the point that Trinidad and Tobago is totally vulnerable to movements of currencies in the international arena. The fact of the matter is that our yen loans account for a very large percentage of the total stock of borrowing, and every time the yen moves against the US dollar it affects us negatively in Trinidad and Tobago. The upward movement in interest rates mainly in the United States—and perhaps to follow in other jurisdictions—will also put pressure on the amount that has to be expended in terms of interest payments.

We need to understand very clearly the point that I have been making, which is—notwithstanding the apparent reductions in the net borrowing position, the fact of the matter is that in 1995 the budget calls for a new foreign borrowing of some \$1,173 million gross, a new domestic borrowing of \$1,070 million. That is a matter of concern, particularly when one considers the point which the Minister of Finance made this morning, the fact that we are not putting a sufficient amount of money into capital formation. We are not putting a sufficient amount of money into the kind of infrastructure which we want to create.

There has been some increase in the provision for vacant posts in the Ministry of Education—salary increases—but, by and large, there have been no major shifts in the expenditure pattern that one sees in the book that tells us about the draft estimates of expenditure for 1995.

I come back to a hobby horse of mine. When I look at these documents which I have been getting for some nine years, I continue to feel a hole in my stomach because I get books of numbers that tell me nothing as to what is happening in the various ministries. With the exception of the times when we are fortunate to have a Minister of Education or a Minister of Health here, these numbers really tell this

country nothing on how our ministries are faring in the provision of services to our citizens, which is what they are all about.

One cannot come to any sensible conclusion about expenditure when one gets these numbers. It is really a book-keeping or an accounting exercise. What we need when we look at these budget estimates are detailed strategic plans, practical plans, performance measures, performance criteria, detailed reports on how our ministries are being managed, how they are being run.

I make the point ad nauseam—I apologize for doing that—but in the absence of that we do not have a handle on whether the country is getting value for its tax dollar. We can assume that we are, but we do not know. Our ministries, in my respectful view, do not appear to be well managed. Maybe there are all kinds of plans in other places but, surely, as legislators, we are entitled to some sort of indication as to what the real plans are and how we would improve the level of services to people.

I have always maintained that budgets are more about the power to spend rather than the power to raise revenue because this is where the power is, not so much in raising this tax or that tax; it is how the money is spent. I am looking forward to hearing Sen. Draper—I believe this is his main area—public service reform. I squinch to use the word because it goes back some 25 years, as we established a few budgets ago. How are we doing in that area? I am awaiting Sen. Draper's words of wisdom and information on this matter.

Sen. Draper: Will come!

Sen. M. Mansoor: I will hold him to promises he made to us collectively two or three years ago. Mr. President, if you would remember, we agreed on that occasion that public service reform was attempted back in the 1960s and there were all sorts of reports—this high—on the matter.

I noticed that there was passing reference to public service reform in one of the books, the *Medium-Term Policy Framework*. May I just make the point again that reporting and planning are important for all our ministries. Maybe, the Minister of Education has very laudable plans and he is managing his ministry well.

It is important that the performance of teachers and supervisors is monitored and measured so that we can tell the education imperative—which Sen. St. Cyr spoke about this morning and which, perhaps, is the most important imperative in our economic development—to educate our young people so that they can get jobs,

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if not here somewhere else. We need hard data as to how well we are doing in that area; and I put it to the Senate that if we do not do this, we would be denying our young people the most important imperative, that we educate them.

Mr. President: The first 45 minutes has ended. I take it you would go on to the next 15 minutes.

Sen. M. Mansoor: Thank you, Mr. President.

I make the point again: Please, let us put in performance measures in all of our ministries—let us be able to tell—so that the Ministers have hard data on which they can manage and boast about how well their ministries are doing. I hear from time to time all kinds of complaints. Let me use education as an example. Young people tell me that teachers do not come to school on this day or that day.

Hon. Senator: True!

Sen. M. Mansoor: One does not know. One hears these things. It could be just random complaints. But has absenteeism increased or is it on the improve? Is it a fact or is it that these kids are just inventing these things? I do not know. Does the Minister know? Maybe, he does. But can he tell the country whether the quality of education is on the improve, and can he back up that assertion with hard data?

The power to spend is what Government is all about. The Minister of Finance said very clearly this morning that the inherent question for Government was to provide the infrastructure, to facilitate; not to run big or small businesses.

Are health services being delivered more efficiently and effectively in 1994 than they were in 1993? Do we know? Do we have the infrastructure to tell?

Sen. Capildeo: People are dying in the hospital.

Sen. M. Mansoor: We have been told that crime is on the increase; some months we are being told otherwise. Is national security secure? How are we doing? How are we managing these ministries? How are we managing our public servants? I have always maintained that in the ranks of the public service would be found some of the most gifted and talented citizens of this country. I worry! I listen to them on occasions when they tell me how demoralized they are because they are not working in systems that encourage them to be enthusiastic about performing. This is perhaps the most important imperative for us as a country: to improve the quality of service. And numbers do not do it.

2.20 p.m.

The Minister of Finance can allocate as much money as he wishes to this or that ministry. At the end of the day it is the question of the delivery of service; and I see no tangible evidence that services are, in fact, improving.

I will be forgiven if I develop a bit the question of extraordinary receipts and the matter of divestment, because I think it is one of the most important platforms, if you will, of economic thinking. I am not going to argue the merits or demerits of divestment. What I wish to say is that there are a few key variables that I look at when a matter of divestment comes up. Is the service going to be of a better quality and at a more economic price? Are we getting a fair price for what we are selling? Are the opportunities for improvement of people's careers safeguarded?

There are the residual concerns. How much of the profits or returns from these divested enterprises would, in fact, return to Trinidad and Tobago? As we said at the very beginning, our international foreign reserves have done very well—in excess of \$200 million—but we have not as yet, I believe, started to see the results of repatriation of funds. So that all these matters have to be considered in the divestment exercise, but the most important one is, perhaps, total transparency, so that people have, as it were, in their minds, information that is effectively like a prospectus of what is about to happen.

I believe that people understand that this global village is very small; they understand the question of efficiencies and that we cannot live in a cocoon and pretend that Trinidad and Tobago is the only country in the world. But we need prospectuses that set out very clearly, in a comprehensive well-documented fashion, the guts and the nature of the divestment initiatives that we take.

Therefore, we can hold out hope to our people that they will be able to make investments in these enterprises if, or when, they become profitable. But there is the question of divestment and buying into the confidence of the people of Trinidad and Tobago. They have been brought up on a diet of literature and public relations information that has made them believe that they quite rightly own these things, so we cannot come in 1993 or 1994, totally change the catechism and not expect people to wonder what is happening here. So what we need is total transparency, and I use that word at my peril. Mr. President, I have dealt with the question of the manufacturers and I hope that what I said would be passed on to the good Minister.

I now come to the *Medium-Term Policy Framework* document that the Government has put out, which I believe, in many respects is a document of hope.

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One cannot help feeling that there is a favourable economic wind behind us when one looks at the projections on page 5 of this document where the Minister of Finance confidently predicts that international foreign reserves will increase from US \$72.7 million in 1993 to US \$504.1 million in 1997—debt service being reduced to just about 22 per cent, which is where it should be.

Sustainable growth in the economy of not less than 2 per cent over the years, notwithstanding the 1994 blip. So, the news is upbeat and it is good that for the first time, perhaps, in many years, that one can afford to be cautiously optimistic. But if one goes on through this book it appears to me that it was written by someone who has a Ph.D. in English Literature—it is one of the best-written documents I have seen for a long time. The language is beautiful, perhaps, not particularly simple for people like me, but it will be hard to find something that is not included in this *Medium-Term Policy Framework*.

We have articulated all the kinds of things we should do, but my concern remains the question of implementation. I was very heartened when I looked at the back of the book to see that we have matrices which make one get the feeling that something is about to happen here. I must say that when I looked at “Strategies and Measures”, in many cases I thought that if it was a graduate in literature who wrote it, Mr. President, he or she was not too familiar with the language of implementation in getting things done.

Let me use one example. Again, I have nothing against it, but an important example is the question of tourism. It is now called a subsector and I believe it is a new ministry, if I am not mistaken. Page 51 of the book says: “Services, Non-Tourism sub-sector” and “Tourism sub-sector”. Then when we come to the Measures and Strategies, we have the rather terse commentary—“Promote ecotourism—1995 and Continuing”. It goes on: “Promote resort-type projects on the north and north-east coast; 1995 and Continuing”.

Now all of these things are fine. All I am saying is, are these things going to happen? Are there detailed plans to back up these things, or are these just words that we read? Because it goes on for pages. All sorts of things. I come back to the need to plan. Are the plans detailed? Do we have specific projects that would promote ecotourism, or resort-type projects? What are they? Are they being worked on? Do we have reason to be upbeat and confident that they will happen?

I come back to the same kind of concern that I had when I looked at the expenditure side. What mechanism is there to facilitate the implementation of all these very nicely formulated strategies? Look at the one on the policy area called

“Employment”, the measure is: “Continue to encourage private sector investment”. Well, again, that is true but where is the hard data?

I think the clock is against me and I would like to end on the note on which I started, in that, I feel that for the first time I sense that we are past the worst and that, in fact, several of the strategies of this Government and, indeed, the predecessor government, are starting to work. We are seeing the return to very modest deficits; we are seeing appreciable increases in the amount of foreign reserves. For the first time we are seeing an appendix on employment which suggests that there are more jobs out there, that we have created some jobs. There are some concerns about how sustainable those jobs are, but the fact of the matter is that when one looks at it as a whole, we seem to be making some progress.

What is so important is that we do not “drop the ball” at this stage. We have to harness the successes we have had, realizing that the world is becoming a very difficult and complicated place. Let us take employment, for example. In the most developed economies we read and hear every day of 5,000 or 8,000 jobs going; that is the direct consequence of the liberalization imperative, and that it is going to happen here! Economies tend to pick up these people, but it is beginning to happen that economies are not able to pick up all the casualties of the efficiency imperative of the liberalization imperative.

One of the paradoxes of our time is that notwithstanding the growth in productivity, the fact of the matter is that fewer people are producing more goods; and the distribution problem—which I believe Sen. St. Cyr talked about—is going to affect us, if not in 1995, certainly before the year 2000.

2.30 p.m.

Therefore, it is very difficult to fault the economics of this budget. There are some concerns about whether this tax measure will yield the required amount of revenue. My real concern is about how Government exercises the power to spend, because that is where, if anywhere, the citizens of this country may be short-changed. We need to improve our delivery systems so that when we take a dollar of tax, we provide a dollar of service.

I wish to state that there is some reason for confidence. We have had a very difficult time for many years and I believe, for the first time, one gets the feeling that some of the variables, perhaps the most important ones, are beginning to look right.

I would like to end by saying that the victory is not yet won. We have to employ the 91,000 people that currently are unemployed and who are suffering. If

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we cannot employ them we have to educate them for job opportunities elsewhere, but we have to deal with that problem. We have to deal with the question of service.

If you ask the average Trinidadian or Tobagonian to “name me 10 things that have improved in the last 10 years or the last five or two years,” I make you a bet that he would have difficulty going past three or four. That is what government is all about, not so much the question of dollars, reserves, GDPs, things like that. Those things are important. What is also important is that we become a humane society where we look after the disadvantaged in our midst, but we remember that the key to prosperity is not to take from one set to give to another, but to put in place the measures that would result in the creation of a greater amount of wealth to be distributed to all.

We will not improve our economy or our lot in life if we limit our discourses on economic matters to castigating or denigrating, fairly or unfairly, this particular oligarchy, parasitic or otherwise. That does not do this country any good. What we need to do is to put in place, systems, procedures, measures, a climate that would create more wealth that can be distributed fairly and equitably so that all of us would have a bit more.

I wish to end on a note of cautious optimism, realizing that if we are not careful, we can, in fact, destroy and nullify the gains that we have made at such a hard and high price in the last few years.

I thank you, Mr. President.

The Minister of Education (Hon. Augustus Ramrekersingh): Mr. President, to say that more than \$1.1 billion has been allocated to education for 1995 tells us very little, except for the fact that the Government places a high priority on education. What is more important is that at the end of the day we must be able to see what results have flowed from the expenditure of \$1.1 billion or \$1.2 billion—the output approach to management.

I join this debate in order to look at what we have been doing in education and to give an idea of our projections for 1995 and beyond. As hon. Senators would know, some months ago we held a national consultation on education, which was bringing together the work of the National Task Force on Education. It is the document which, when put in its final form, will guide us through the next few years in education. The idea of the highly consultative and participatory approach was to achieve a certain national consensus on education. Because the success of

education policy is something that takes time, one does not want changes or disruptions every so often.

However, many of the recommendations which have been made—and it was laid as a White Paper in the Parliament—have gained virtually total support. Some of these have already been put into effect or are about to be put into effect. What I wish to do this afternoon is to select a few areas to show what we have been doing and where we are going. Broadly, I hope I would have the time to look at five areas. The first is the management of the education system; the second, curriculum reform, enhancement and renewal; the third, physical facilities and amenities; the fourth, support services; and the fifth, training activities.

May I start off with the management issues. I start there because we may have the best plans in the world for education, or for anything else, but unless we manage those changes effectively, we will not be successful. This is why we have turned our attention to the reorganization of the Ministry of Education, and we have been assisted tremendously in this by the process of public service reform for which my colleague, Minister Draper, has overall responsibility.

What we are seeking to do is to transform the Ministry of Education from being an inflexible, monolithic, highly centralized bureaucracy, wasteful in many respects, into a developmental agency which is responsive, expeditious in action, capable of initiative and creativity; an institution which has as its primary objective, the delivery of quality service, quality education, rather than a bureaucracy which is obsessed with its own maintenance.

During the course of the last year or so, in addition to the public service reforms which my colleague will speak about, we have developed a mission statement for the ministry; we have developed in a very participatory way, our strategic plan. Flowing from that in the first place, we established a customer service division in the ministry that deals with the public. Part of the reason is to reorient or to begin the process of reorienting the ministry to see itself as delivering a service.

Secondly, in order to transform the way that we do things and relate with each other and our employees, we have recently established a human resource management division in the ministry. That was one of the recommendations of the task force.

Thirdly, we have also recently established a research and evaluation department in the ministry, another recommendation of the task force, because very often decision-making was not based on hard empirical data.

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2.40 p.m.

In response to some of the issues which, for example, Sen. Mansoor raised, we are now in a position to gather some of that data to make mature and considered decisions and to implement remedial measures. If I may take one example. This year, for the first time, we did a detailed analysis of the Common Entrance Examination results in the core subjects: language, mathematics and essay writing, and we are in a position where we can identify the performance of every single primary school in each of those subjects. As a result, we have started having seminars with the principals looking at the performance of their schools, analyzing the reasons and setting targets for improvement.

The other aspect of management is the question of decentralization, and it flows from what I said earlier—a highly centralized agency. What we are working on is the effective establishment of eight education regions—division districts or whatever you want to call them—in Trinidad and Tobago.

There is already one in Tobago and there are seven in Trinidad, already catered for by the existing Education Act. These divisions exist but have not ever operated effectively. What we are trying to do is to take those existing divisions and make them operate effectively. The eventual vision in the management of our school system and of education is community and school-based management. But we must get there in graduated phases, and we will move towards the establishment of these divisional structures, then divisional boards and then go further along the line.

In preparation for decentralization in 1995, we have initiated action on two fronts: personnel and office space. We have already identified suitable buildings in most of the regions so that we can have proper divisional offices where certain functions can be carried out. In some of these areas we have already begun the task of refurbishment.

At the people level, advertisements for School Supervisors III, II and I have gone out; interviews have been taking place; and in due course these positions will be filled. But the case for decentralization can be made out by using the absurd. If you are a teacher living or working in Cedros and you wish to get a job letter, do you know that you have to come into Port of Spain for it? I have used that extreme example to make the point. What we are moving to is that instead of having to come to Port of Spain you can go to the appropriate divisional office and transact your business, thereby saving time.

That raises the point that the third ingredient in decentralization is information technology. As part of the computerization of the public service and in conjunction with the World Bank, with whom we are carrying out discussions for an education loan, that dimension is being seen about.

Effective decentralization also calls for quality management at the level of the school. In 1993 we started a new kind of training for principals, different from the educational administration and bureaucratic training of the past: human resource management training. Three programmes were run on an experimental basis in 1993. Four have been done in 1994. Some 192 principals and vice-principals, largely at the secondary school level, have been trained and we have started to move the programme to the primary schools.

Yes, we are starting with a backlog, but by consistent effort we will reduce that backlog and get in front, because it is our vision that before the end of this decade, promotion to the ranks of principal or vice-principal should be based partly on having management training or management exposure. The days simply of taking the best teacher or the most senior teacher and promoting him to be principal are over; we need more professional management.

Two other areas: a job evaluation exercise is now taking place within the teaching service, which we expect to be completed during the course of next year. I want to make special mention of the cooperation and assistance we have had in this exercise from the Trinidad and Tobago Unified Teachers' Association.

Relating even more specifically to Sen. Mansoor's point, a group of persons, including representatives of the principals and the teachers' association, has been mandated to design a new system of performance appraisal for the teaching service. Suffice it to say, the existing system serves little or no purpose. The form itself is irrelevant. Some of the questions are ludicrous. It does not offer us a proper basis for evaluating performance.

We are therefore moving to a more professional, a more scientific, process, and tied into that, when it is completed, would be a programme of training for those who have to implement the system. We will then consider the question of performance and rewards. The existing system rewards the high performer as well as the mediocre performer in the same way. We want to develop a performance-driven system, where high performance is recognized and rewarded.

Let me move on from the management issues to some of the curriculum issues. I use the word "curriculum" in the widest sense to mean not only the programme of work but also the methods of instruction, evaluation and the testing

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of outcomes. And, may I do it in a logical order starting with what is conventionally called pre-school education but, which we, in fact, have chosen to call early childhood care and education, because we want to put a new focus on it to move in new directions.

In keeping with the recommendations of the task force, we have established a national council for early childhood care and education, which is seeking at this time to rationalize what exists, including the teaching and the training of teachers. The expansion phase will come later.

2.50 p.m.

The point is that early childhood care and education are what I call the long haul. Today we talk about behaviours in the society, values and morals. We need to do things in the immediate and medium term. I suggest that our initiatives in early childhood care and education constitute the long haul, and the more solid and efficacious way of dealing with it, where we would be concentrating on not merely the child, but also on the parents; where we would be dealing with that age group zero to five years old.

It is an ideal area for collaboration between the State, the religious bodies and the various non-governmental agencies. That is reflected in the composition of the National Council. It makes no sense for the Government to intervene in areas where people are doing things and doing them well. Our task is to assist them to do things even better. Where the resources of the community do not permit the establishment of certain things, the Government has the responsibility to intervene. It is a partnership arrangement. If we can inculcate in our young children before age five, a certain orientation, value, standard and attitudes to learning, it would express itself further up the line.

The vision is that within 15 years we must have universal early childhood care and education in this country. In other words, within 15 years, every single child between zero and five must have access to early childhood care and education facilities.

I turn now to the primary school. Following from what we do at early childhood care, what we have done for the first time is to prepare syllabuses of work in the primary school for each subject, which outline all the stages from entry to the primary school to the end of your primary school career. Out of that we are now developing what I would call essential levels of learning, to set a standard below which we want no one to fall.

In India that is called minimum levels of learning. The Mauritians, benefiting from the Indian experience, have called it essential levels of learning. In collaboration with the ministries of education in those two countries, we are developing our essential levels of learning. When we develop that, we can then put alongside that teacher performance, because the extent to which those levels are achieved will give us some indication of the extent to which our teachers are performing.

Very often we hear about our problems of numeracy and literacy. Those problems are not confined to Trinidad and Tobago. We have been looking at the experiences of many countries. During the course of 1994, together with the principals we developed a plan of action to deal with literacy and numeracy in our schools and put alongside our teachers, reading and mathematics facilitators, to work with those teachers to improve their ability to deal with the problems of literacy and numeracy. It would take time.

For the first time in 1994, we carried out national testing at standards 1 and 3 in this country in mathematics and language, so that from an early age, we could have an idea of where our students were, so that the necessary remedial programmes could be put in place early. Very often we wait until the children are 12 to 15 years old before we recognize the problem and try to deal with it. Our idea of intervening earlier is to be able to do the necessary remedial work as early as possible.

During the course of 1994, computers were introduced into the primary schools—starting with all government primary schools—to expose our students to technology and also to be a teaching aid. We introduced them this term, but that was preceded by training for teachers. During the course of 1995, we will accelerate that programme as our resources permit, preparing our students and children from an early age for the world of technology.

Perhaps, I should say a word about the Common Entrance Examination. I want to cast it in a different light. We have taken the decision that we should use a different method of moving students from the primary to the secondary level. Instead of the single examination on a single glorious morning, we will use continuous assessment. We have calculated that it would take about a period of four years to have the process completed. Groups of people are at work doing the details.

In all of these endeavours, we undertake the tasks in a highly participatory manner, bringing the various partners in education. We want to ensure that at the

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end of primary school our children have reached the state of readiness to benefit from secondary education. Simply to play the numbers game and to send students forward, whether they are ready or not, is a waste of resources. This is why the age of 11 years does not impress us too much. There needs to be flexibility. If a child can move on early he would move on; if he takes a little longer, so be it.

Associated with it is the question of the availability of secondary school places. At present we send forward about 70 per cent. We have to move towards 100 per cent transition. That means the provision of more school places, which we are doing and I would come to that under Physical Facilities through three methods: provision of new schools, extension of some existing ones, and arrangements with suitable private schools for placing students.

In the long run, even when we have places for all, what is more important is that all secondary schools must become high performers, otherwise some students would always prefer to go to this school rather than that school because they feel they have a better chance at the one selected. That is quite reasonable. Instead of bringing down those that are doing well, we must seek to raise the performance of those that are not doing as well.

3.00 p.m.

We will soon introduce to the primary schools, technology studies—a programme which will start in the primary schools and go right through to the secondary schools, and to which all students will be exposed. The details of the syllabus are being worked out. It becomes more sophisticated as the student goes along. Six-year-olds can start with a pair of scissors and some cardboard and get into design and activation of the thought processes. There is no magic about it.

Something which amazes me, and many of us I am sure, is that when our children are very young—two, three, four and five—they are so creative and innovative, but with the passage of time, as they go into formal education—and this is universally so—instead of that creativity and innovativeness increasing, so often it reduces, raising questions about the great formality of the school system. But I do not want to get into that now.

Let me speak briefly about the secondary schools. Again, the process of curriculum reform is taking place, and one of the important innovations is the National Certificate of Secondary Education. Implementation of NCSE Part I started in September this year. It was preceded by a year of discussion and participation by ministry officials and the principals.

NCSE Part I will, in two or three years, replace the 14-Plus Examination, which has very limited validity. The major differences are two: One, the 14-Plus is only for junior secondary schools, which tells us something. And two, the NCSE Part I—the pilot project—involves 25 secondary schools across five-year and seven-year schools, composite, senior comprehensive—the Form Ones—junior secondary. They follow a common-core curriculum on which they will be examined at the end of three years.

I should also add that it does not take into account only the mere academics, but it will deal with the aesthetics and other areas, trying to make consistent the boast of educators the world over that we are trying to produce well-rounded individuals. Traditionally, we only certify academic competence. We are trying to get around that.

Once we have settled properly with the NCSE Part I, we will move on to Part II, which is for the upper levels of the school, and that will have tremendous implications for adult education in Trinidad and Tobago. On another occasion, I will go into that.

Let me say a word about technical/vocational education. I will be very blunt. It has become quite clear to us from our experience over the last 15 years or so, that technical/vocational education is quite misunderstood. In some cases people say: "If the child is not good with books, he is good with his hands, let him do tech/voc," not recognizing that in these technical areas, proficiency is required in certain basic subjects. More than that, it has become quite clear that one cannot produce a craftsman or a technician in a school. It cannot be done with 14-, 15- and 16-year-olds.

What the school should be doing is giving a general education, ensuring that our children have certain skills at the academic level and some of them have general skills in other areas; that they are trainable; that the craftsmen and technicians will be created, not in the schools themselves, but the schools will prepare them for that partnership with industry later. The real craftsmen and technicians are produced in the workplaces.

Sen. Hosein: Mr. President, I am sorry to interrupt the Minister, but I wonder whether he can tell the Senate what portion of what he is telling us will occur in 1995.

Hon. A. Ramreakersingh: Mr. President, at the beginning I said that I am analyzing what we have done in 1994 and where we are moving in 1995, which

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does not necessarily mean that on New Year's Day, 1995, everything is on. During the course of the year, things will be put in place. Some of them have to be pilot projects. We have to test them. There are, therefore, implications for existing schools, especially the senior comprehensives, for the curriculum.

We are, at present—and I come more specifically to the answer to it—working with the IDB on a programme to transform technical/vocational education in Trinidad and Tobago. We could manage the system well; we could have all the innovative and creative curriculum changes, but if those who guide the learning process, or instruct, are not dedicated and competent, our chances of success are reduced.

I come to the question of teacher training, and to the position that there is a direct connection between quality education and quality teaching—between quality education and quality teachers. We have intensified training of teachers at all levels. I have already spoken about our human resource management training for principals and vice-principals, but also included was headship training for primary school principals.

I wish to state—in the same way that I said at the secondary school level—that by the end of the decade, management training, exposure and qualification will be a requirement for promotion. Our vision for the primary schools is that by the end of this decade a Bachelor of Education degree or equivalent qualification will be a requirement for promotion to principalship in a primary school.

During the course of 1994, we offered, in collaboration with the University of the West Indies, a primary headship programme for principals, vice-principals and senior teachers. Six hundred persons attended the first one—a 75-contact-hour programme. Another 600 persons recently started that same programme. These are people just below that level. We are preparing for the future.

3.10 p.m.

I mentioned the Bachelor of Education; if we want to make the B.Ed. a requirement for promotion, we have the responsibility as a ministry and as a Government to make the opportunities available. The B.Ed. degree is at present being offered at the University of the West Indies and in 1992, we gave study leave to many students; I cannot remember the exact number at this moment, but 35 of them were in the programme, the majority on study leave with pay. The 1994 final examination results showed that 14 of those 35 obtained first-class honours. That is an extremely high rate. It tells you something about the quality of

people we have, if we could manage them well and create the kind of environment for them to develop.

It also means, because these are relatively young people with a certain numbers of years' experience, that we cannot continue with this system of promotion merely on seniority, because it would frustrate these bright, eager, young people.

At present we have the Diploma of Education for 100 persons a year, in-service training at the university. At the level of young teachers, AT IIs and AT IIIs who have not yet gone into training college, some 700 of them started this term with a training programme on Saturdays. I should make the point that much of the training we carry out is done on evenings, during the vacation and on Saturdays. If one goes to any of the centres we use, or the Learning Resource Centre on a Saturday, one would see a large number of teachers being trained or taking part in workshops.

Yes, to develop quality education, we have intensified our programme of teacher training, and perhaps our most interesting innovation has been the introduction of a novitiate, an internship, an apprenticeship—whatever one wants to call it—for young people wishing to enter primary school teaching. Starting in 1993, we put into place a nine-month training programme for persons who wish to come into the teaching service at the primary school level. First, there was theoretical work for some time, then one was placed in a school under the guidance of a master teacher and trained and assessed. Vacations and weekends were utilized to do further work.

Sen. Ali: Mr. President, could the hon. Minister say whether master teacher is a category?

Hon. A. Ramrekersingh: At present it is not an official position, but in conjunction with the principals, we select one of the experienced teachers. I want to say publicly, it is our intention to create in the near future as an official position, master teacher. Many of us in this Senate are too young to remember the days of the monitor system which produced some of the finest primary school teachers in this country. What our internship programme for primary school teachers really is, is a modernized version of that—working under the master teacher, learning and being assessed and spending some of one's free time doing the theoretical work.

The first group, in 1993 for nine months, numbered 370. The second group, 240, will finish their training in December of this year, and a third group of 230

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started in October. So that by the middle of next year, we would have a pool of these persons and we are moving in the direction, by September 1995, in collaboration with the denominational boards, of having successful participation in the internship programme as a requirement for entry into the teaching service at primary school level.

This year we have done a small pilot project with university graduates wishing to enter teaching at the secondary school level. We have about 80 of them who did some theoretical training in August and September and were then put into the classroom to work—again, under a master teacher—and use their vacation and weekends for further training. We are experimenting with it but we know in the long run we have to look at other things, for example, working with the university to see how we could adjust the structure of the degree for those who wish to come into teaching.

What we want to get away from is someone just going to university, acquiring a degree, which is an academic not a professional qualification, and going into our classrooms. Further professionalization of the system.

Sen. Mahadeo: Thank you for giving way, hon. Minister.

Mr. President, apparently at this point, the young university graduates who are interested in teaching are being brought into the school system and given some practical training under a master teacher. Could they not, like our law students, receive their three-year theoretical training, go on to do their two-year practical and be absorbed into our teachers' training colleges to do a one-year or two-year quick course into the practical aspect of it? Those that are gearing for managerial positions could, at least, have the subject of management studies put into the syllabus of the teachers' training college.

Hon. A. Ramrekersingh: As I said, we are exploring a range of options and I thank the Senator for that input. I am just saying that we started one pilot programme, but there is a range of options.

As we talk about all of these qualifications—as we seek to professionalize—we must face the fact that we have to use a range of techniques. Yes, the Ministry of Education proposes for 1995 to finance about 25 students to do the B.Ed. but it would take us a long time to train enough by the process. Therefore, we are exploring the possibility of using distance educational techniques in order to accelerate professional training. We are working with the Commonwealth Secretariat and the Commonwealth of Learning, who have developed programmes

in that area. The University of the West Indies will be one of our collaborators as we seek to improve and increase the qualifications of our teachers.

Of course, I should mention—because we are accounting—in the last budget, I indicated that Corinth was once more going to become a teachers' training college. I have the pleasure to announce that Corinth resumed its mission as a teachers' training college in September of this year. We did the necessary physical work for phase one and we will continue. So there is a teachers' training college in the north and one in the south, and those are important institutions.

One cannot do only arithmetic and say so many teachers are untrained, and in so many years if we trained them all we would not need a teachers' training college. That is what happened the last time. One is doing algebra because people come on and then there is the question of re-training and much of that is going on in the Ministry of Education: re-training of teachers because they must keep up-to-date with new methods in a changing and dynamic world.

3.20 p.m.

Mr. President: Hon. Minister, your speaking time has expired, so you could continue with your additional 15 minutes.

Hon. A. Ramreakersingh: Thank you Mr. President.

Perhaps, I should move on to physical facilities. During the course of 1994 at a cost of \$25 million, repairs were carried out on almost 200 primary schools and more than 20 secondary schools. Of course, the amount of work varied. That work was supplemented by the efforts of a state enterprise, National Petroleum. The idea was to do enough work on as many schools as possible to improve the physical conditions for learning.

There is more work to be done: all the schools are not perfect. There are still kinks in the system; we can work only as fast as our resources allow us to. The idea is, with that onslaught this year, to break the back of it. What we want to do is to move from fixing, to a system of preventive maintenance; and to the extent that we are able to clear the backlog, we would be able to use a more forward-looking approach to maintenance and repairs. Incidentally, as decentralization takes place in 1995, routine maintenance and repairs would become the responsibility of the region.

Among the major repairs at secondary school level, work was done at St. Francois Girls' College; there was a particular block at Pleasantville unusable for many years: it has been put back at tremendous expense; and work was done on a

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whole range of other schools. I do not wish to go into it. Some of the refurbishment also involved extension, and, in some cases, the establishment of sixth form blocks.

In terms of new schools in 1994, Tunapuna Hindu School came on stream and was opened. It also bears the name of the father of one of our distinguished Senators. *[Interruption]* If he becomes as distinguished as his father we might consider it. Matura and Sangre Grande Government have been completed and opened this year; Charlieville ASJA Primary School is almost complete and will be opened soon; Gasparillo Government School was started this year and will be completed next year.

With respect to Guayaguayare R.C. School, Reform Presbyterian and St. Mary's Anglican School in Tacarigua, construction will start on those very early in 1995 under the Fincor programme. Under our recurrent budget, Arima Government Primary School will start in early 1995. Soon after that we will be starting construction with the Carenage Government School and the River Estate Government Primary School. Those are just a few.

As part of our school building programme we are engaged in discussions with the World Bank for an education loan which, I may say at this point, is not only about physical facilities, but it also involves a qualitative dimension. Under this World Bank loan, for which negotiations will be completed in 1995, we will be seeing after the physical aspects of primary school needs for the next 15 or 20 years—building those schools, taking care of the population. It will also involve the building of four new secondary schools. Now, I am not saying that everything is going to start in 1995, but the disbursements of the loan will start sometime in 1995 when we have completed the negotiations, and we will move on.

The four secondary schools earmarked under the World Bank loan will be sited in Central, the North East region, the North West region and in Tobago. Incidentally, work is going on in Tobago in 1994 and will continue in 1995 on the upgrading of Bishop's High School. In 1995, we have earmarked funds for the upgrading of the Signal Hill Senior Comprehensive School, not only to equip it properly as a senior comprehensive, but it must serve an additional purpose in Tobago.

Tobago students are disadvantaged if they wish to follow programmes which are done at the John S. Donaldson or the San Fernando Technical Institute for obvious reasons. We hope that Signal Hill, when it is refurbished and expanded, would be able to offer many of those programmes to young people in Tobago so they would not have to come over to Trinidad. That is in the allocation for 1995.

We are looking at the needs of primary school buildings for the next 15 to 20 years. In terms of secondary schools there is allocation for the rebuilding of Tranquillity Government Secondary School to begin in 1995. Lakshmi Girls' Hindu College construction started this year, 1994, and will continue in 1995, when the school moves from a population of 275 to 800 students. We are looking at several other secondary schools which are relatively small in size, but which may have the capacity, physical or otherwise, to be expanded—not to be made unmanageable—so that we could increase the provision of secondary school places.

This month construction work will begin on post-primary facilities in 52 selected primary schools. We will be putting an additional two rooms in 52 selected areas to cater for additional post-primary students to assist us with those students who do not make it as a result of the Common Entrance Examinations. That programme allows them to get back into the system later as they progress.

I am looking forward to making available the facilities necessary for our young people at pre-school, primary and secondary school.

I will just deal with support services—the training aspects—I know my colleagues on this side will develop the ideas.

Sen. W. Mark: Can the hon. Minister indicate to the Senate the concept of decentralization, particularly in the context of the education system? I would like to find out whether we are going to experience a fee structure and the privatization of education under his Government?

Hon. A. Ramrekersingh: The answer to that is as follows: There will be no cost recovery associated with primary and secondary schools under the present government. Many of the elements of the decentralization already exist in the Education Act, but those things were never activated. We are activating them. We will go further as the time goes on, but we are taking it in stages. The State, while it values all the various partners in education, ultimately has the responsibility for seeing after the educational services of the people of Trinidad and Tobago.

3.30 p.m.

Support services, very quickly: As I said, my colleagues will deal with training. With respect to school feeding, the number of meals served moved, over the last year, from 58,000 three times per week to 64,000 five times per week at the primary level. In September it was started at the secondary level and, at

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present, approximately 9,000 meals are being served three times per week; during the course of 1995 that will be developed further.

At the level of pre-school, there are some 2,000 meals per day, and that programme is being developed because at that level—and it was in the Task Force Report—the nutritional dimension is very important. School feeding has increased and it will be continued and further increased. If one looks at the expenditure, one would see that \$79 million is allocated for next year; this year the Government has spent \$72 million.

Sen. Prof. Spence: Mr. President, I wonder if the hon. Minister would say something about the linkage to the agricultural sector; and would he not like to have seen a greater increase than \$7 million?

Hon. A. Ramrekersingh: It would be very interesting to look at the menus and see linkages. We have to understand that not all the ingredients are obtainable locally, and there are price limitations on what we pay the caterers. Take, for example, the days on which they serve goat, the price of local goat is several times the price of imported goat; and the caterers are paid a certain amount. If one looks at the vegetables and fruits used one would see a high local content.

School transport: Up to 1994 school transport was handled by the PTSC. The moneys were directed to the PTSC and it was run by the corporation. From 1995, the moneys have been allocated to the Ministry of Education which will make arrangements for an effective school transport system. In March 1994, the PTSC unilaterally stopped a particular service, and the Ministry of Education had to suppress expenditure in certain areas to find the money to continue that service until the end of the year.

Also, in November 1994, when the PTSC stopped the other service, the Ministry of Education had to find money, \$1.25 million for the five weeks to carry it. Interim arrangements have been put in place. The ministry is looking at a more long-term, effective system of school transport. What was put in place quickly is purely a temporary measure. It needs to be looked at.

The Government is an employer and an employer should have more than a mere wage or salary relationship with its employees. I have indicated the human resource approach. In 1993 an employee assistance programme was established for the teaching service as a two-year experiment. I do not have the time, but I am pleased to report that the programme has been working extremely well, as the ministry seeks to assist those teachers who are troubled in one way or the other;

and, very shortly, the Government will be announcing further plans for the expansion of that programme.

The objective is quality education for all. Yes, there are current and medium-term problems to which the Government must attend, but education reform is a process and it takes time. We must have the patience. What I have tried to do is to give hon. Senators an idea of the direction in which the Government is moving to show that the process has started and will accelerate with time.

Mr. President, I ask hon. Senators and the national community to look at our efforts to see the direction in which we are moving, and we will get there I am sure.

Thank you very much, Mr. President.

Sen. Muntaz Hosein: Mr. President, may I welcome the Minister of Education to this Senate and to this debate. It is very nice to see him so steady and sweet today.

It was Dwight D. Eisenhower who said:

“We do not lead by hitting people over the head. That is assault, not leadership.”

The Minister succeeded in giving some blows to certain sectors of the community with his budget presentation. This debate today is not about a proposed economic growth which the Minister of Finance would have us believe will be sustained growth, but it is about sustained growth versus the alternative government's—the United National Congress'—argument of sustainable development. The Minister of Finance's embrace of the new market economy and free trade is like a child with a new toy, a new video game called trade liberalization; or the eating of the Trinidad and Tobago sardines by the multinational sharks.

Many years ago this country was to become the Athens of the West—at least, so said the late Dr. Eric Eustace Williams. Today, it is to become the global city of the Caribbean; the gateway to the Americas; and the financial capital of the West. These gentlemen on the other side are trying hard to outdo their old boss, Dr. Williams. As you can see, Mr. President, we are not short on headings or titles as to what this country should become and what it will become. As Sen. Mansoor indicated in a very nice way, what this country is short on is performance.

The Minister of Finance is very clever indeed. He has made it appear that he is running something, but that is only a mask to hide the divestment policy of the

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Government being undertaken without accountability and transparency. I want to make it absolutely clear that we on this side of the Senate are not opposed to divestment per se. We believe in a case by case scenario but it must be with accountability and transparency; and we will not accept privatization of water and electricity in Trinidad and Tobago.

Any minority Government without a mandate to sell the property of the people should not try such underhand tactics. It is an insult to the intelligence of the people, for which the Government will pay very dearly in the not too distant future. The Constitution of Trinidad and Tobago makes provision for accountability and transparency, and this Government is fully aware of the role of the Public Accounts Committee and the Public Accounts (Enterprises) Committee. Ministers on the other side are always quick to point out that these committees are chaired by Opposition Members—which is quite true—but, at the same time, they ignore the inability of these committees to subpoena documents and witnesses and so forth.

3.40 p.m.

Mr. President: Senator, I am not interrupting you on the ground of irrelevance, but you know better than anybody else that you have a Motion standing in your name to take note of a Public Accounts (Enterprises) Committee Report, which is due to come up very soon. Therefore you might be offending the Standing Order relating to anticipation, so I would prefer if you do not go into any detail.

Sen. M. Hosein: No, Mr. President, I have no plans to go into detail, but it is difficult for us to talk about accountability and transparency when the other side points to these committees. So it is important that we make the case very clear that these committees do not have the teeth to do the work they are supposed to do.

Hon. Senator: Go and sit down by the Hall of Justice.

Sen. M. Hosein: So, Mr. President, it is important that the people's assets should not be sold without proper accountability and transparency and you will hear, later on, where the idea has come from for this Government to behave in this manner.

In addition to that, the role of the media in any democracy is of paramount importance, and I believe we are in danger in Trinidad and Tobago of losing that important aspect of our democracy. Only yesterday we had a very serious debate on the T&TEC issue and the Tuesday before, as well, and so little has been

reported on such an important issue. I wish to point out to the media the importance of their role in the democratic process, so that the other side should be heard and understood and that people would understand what is happening.

Prior to the budget presentation, the annual ritual of the lobbyists was in full swing. The Chamber, the TTMA, Sydney Knox, Anthony Sabga, this association, that association, all had their say. But who lobbied for the oppressed, the unemployed, the underemployed, the poor, the pensioners and the barefoot man? Who lobbied for morality in this society?

Hon. Senator: The PNM.

Sen. M. Hosein: It may be a little late, Mr. President, but I, Muntaz Hosein, will speak for them today.

Let us examine what is happening in the United States, the country which controls world trade and our most important trading partner. Let us see what some of the experts are saying about free trade in the United States. Mr. President, with your permission, I want to quote from a book called *The Case Against Free Trade* published in 1993, with papers presented by several people.

I will start with Ralph Nader, a famous US consumer advocate. This paper was done in 1991, and I quote from it:

“The Uruguay Round expansion of GATT and NAFTA would establish a world economic government dominated by giant corporations, but they do not propose a democratic rule of law to hold this economic government accountable. It is bad enough to have the US Fortune 200 along with European and Japanese corporations effectively ruling the seven seas of the market place which affects workers, the environment and consumers, but it is a worse level of magnitude for this rule to be formally expanded over entire political economies without any democratic accountability to the people.”

I repeat: “...without any democratic accountability to the people”. It starts becoming a littler clearer, Mr. President. It continues:

“Secrecy, obtrusiveness and unaccountability—these are the watchwords of global trade policy-making. Every element of the negotiation, adoption and implementation of the trade agreements is designed to foreclose citizen participation or even awareness.”

I want to repeat that: “...implementation of the trade agreements is designed to foreclose citizen participation or even awareness”. So one understands where

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we are going. I want to quote now from Jerry Mander, Senior Fellow at the Public Media Center. These are all Americans, not Trinidadians, and not UNC people.

This is what Jerry Mander has to say:

“‘Free trade’ and ‘market economics’ are positive-sounding phrases that in reality are public relations terms designed to conceal what they really stand for: the forced abandonment of local controls on development, ownership, trade, wages, prices, or lifestyle in favor of centrally conceived concepts and interests protected by bureaucracies in Geneva or Brussels and ultimately enforced by the U.S. military.”

Let me continue—the same author:

“In an unabashedly frank article in 1992, the *International Herald Tribune* analyzed the kind of Faustian bargain that Third World countries were being asked to accept, using Malaysia as an example....”

You will recall that some Senators on the other side have been using Malaysia as an example of one of the places which have been so successful. This is what they have to say:

“The good news from Malaysia's economy, said the *Tribune*, was that its textile industry would benefit enormously if the Uruguay Round of GATT succeeded, since the agreement would require Western countries such as the United States to remove all tariff barriers against the import of low-cost textile products from Asia. This would increase employment in Asian textiles and produce economic growth, which presumably would benefit everyone.

The bad news, however, was that Malaysia would be required to abandon its laws that held foreign investment in local industries under 50 per cent ownership and that ensured that businesses would continue to be described as Malaysian rather than being, well, *beyond* nationhood. Also, Malaysia would have to accept the invasion of foreign banks and other capital investment sources.

The net effect was that the Malaysian economy would quickly be overpowered by foreign bankers, who naturally would want to invest and perhaps buy-up Malaysian textile industries whose prospects had suddenly improved and who were growing rapidly. But the banks would only do this if the wages were kept at the *very low level* that gave Malaysian textile manufacturers a comparative advantage in the first place, under ‘free trade.’

So who actually gains and who loses? International bankers gain because they can move instantly where the action is and overpower local economic interests. Certain local industries gain—that is, the *owners* of the industries gain because they can reap the rewards of economic growth or sell their increasingly valuable companies to foreign banks. The sheer number of jobs increases, but at a wage that must remain at rock bottom or else the entire equation is blown.

But the vast numbers of poor people in whose name this is being done are no better off than before, while the rich get richer. What else is new? And all that remains of Malaysian sovereignty, as expressed in its ability to control its own economy, is gone forever. (Meanwhile, wages in the Western importing nations *decline* to match the new competition from Malaysia.)”

Mr. President, I hope we are seeing the picture that is emerging.

Let us go now to another author from the United States. This time, Herman E. Daly, economist in the Environment Department of the World Bank—economist in the World Bank. Important. This is what he has to say:

“Development, as it currently is understood on the U.S. model, is only possible for a minority of the world's population over a few generations—i.e. it is neither just nor sustainable. The goal of sustainable development is, by changes in allocation, distribution and scale, to move the world toward a state in which ‘development’ whatever it concretely comes to mean, will be for all people in all generations. This is certainly not achievable by a more finely tuned ‘adjustment’ to the standard growth model which is largely responsible for having created the present impasse in the first place.”

And he continues, Mr. President:

“Even with uniformly high wages made possible by universal population control and redistribution, and with uniform internalization of external costs, free trade and free capital mobility still increase the separation of ownership and control and the forced mobility of labor which are so inimical to community.

Community economic life can be disrupted not only by your fellow citizen who, though living in another part of your country, might at least share some tenuous bonds of community with you, but by someone on the other side of the world with whom you have no community of language, history, culture, law, etc. These foreigners may be wonderful people—that is not the point.

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The point is that they are very far removed from the life of the community that is affected significantly by their decisions. Your life and your community can be disrupted by decisions and events over which you have no control, no vote, no voice.”

The author continues:

“When the capitalist class in the U.S.—”

Mr. President: Senator, just a little point. I notice you are not indicating the page. It is important that the reporters get the various pages, because when you are finished they will require you to pass the book to quote it verbatim, in fairness to the authors.

Sen. M. Hosein: Thank you, Sir. The page I just quoted is 127; I am going to 128.

“When the capitalist class in the U.S. in effect tells the laboring class, ‘sorry, you have to compete with the poor of the world for jobs and wages—the fact that we are fellow citizens of the same country creates no obligations on my part’—then admittedly not much community remains, and it is not hard to understand why a U.S. worker would be indifferent to the nationality of his or her employer.

Indeed, if local community is more respected by the foreign company than by the displaced American counterpart, then the interests of community could conceivably be furthered by foreign ownership in some specific cases. But this could not be counted as the rule, and serves only to show that the extent of pathological disregard for community in our own country has not yet been equaled by others. In any event the further undercutting of local and national communities (which are real) in the name of a cosmopolitan world ‘community’ which does not exist is a poor trade, even if we call it free trade.

The true road to international community is that of a federation of communities and communities of communities—not the destruction of local and national communities in the service of a single cosmopolitan world of foot-loose money managers who constitute, not a community, but merely an interdependent, mutually vulnerable, unstable coalition of short term interests.

Free trade and free capital mobility have interfered with macroeconomic stability by permitting huge international payments imbalances and capital transfers resulting in debts that are unrepayable in many cases and excessive in others. Efforts to service these debts can lead to unsustainable rates of

exploitation of exportable resources; and to an eagerness to make new loans to get the foreign exchange with which to pay old loans...”

Sounds familiar, Sir? And it goes on:

“...with a consequent disincentive to take a hard look at the real productivity of the project for which the new loan is being made. Efforts to pay back loans and still meet domestic obligations lead to government budget deficits and monetary creation with resulting inflation. Inflation, plus the need to export to pay off loans, leads to currency devaluations, giving rise to foreign exchange speculation, capital flight, and hot money movements, disrupting the macroeconomic stability that adjustment was supposed to foster.”

You see, basically, what is happening here is that one can see that in 1991 these papers were written; and the course had been charted, but those who choose not to listen will have to feel the pain of it.

Hon. Senator: That was the NAR.

Sen. M. Hosein: So the world is moving into an uncharted course, an area of uncertainty; and perhaps I do not have the answer to another course. What I do know is that our Government is not going out there to bat in the interest of Trinidad and Tobago, and I have a problem with that.

Sen. Barrack: I do not know if they are batting at all!

Sen. M. Hosein: I understand the argument that we are a very small nation and it would be extremely difficult to turn the world around. I do not think we can do it. I am not suggesting that. What I am suggesting is that we should not take this matter, lock, stock and barrel—and that is the impression I get from the Minister of Finance and from Senators on the other side—without due regard for the expectations or desires of the people of Trinidad and Tobago. And I think therein lies the problem.

If one looks at what is happening in the United States—and that was 1991—but let us look at what is happening in 1994. I want to quote from *Time* magazine dated October 24, 1994. On the front page is: “Boom for Whom”. My quotation of what is happening in the United States is very clear to those who have head and brains to think because that is the mecca where—just to educate some of my other friends—all this philosophy is coming from. Therefore one must examine what is happening at the base to see what will happen to us, because we do not have the natural resources, the finance, the research and development of the United States of America, so we cannot expect that we will fare better than they are faring, but

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we should look at what is happening so that we would be able to avoid the pitfalls.

Let me quote from this *Time* magazine of October 24, 1994:

“To professional athletes—when they are not on strike or locked out—and their adoring fans, there is nothing so exultant, as the chant of ‘We’re No. 1!’ American business executives are getting somewhat the same feeling. Finally, finally, they are beating their Japanese, German, South Korean, Taiwanese, name-the-country rivals—and in products like autos, machine tools and computer chips, where a few years ago they were being trounced. The U.S. firms are not only turning back an import invasion of American markets but also triumphing in so-called third-country export markets and even swiping some sales in Japan and other tormentor countries...”

4.00 p.m.

“The closest thing to an official world championship of business is top rank among the nations studied by the Swiss-based World Economic Forum, and last month the forum made the announcement: after eight years of Japanese domination, the U.S. in 1993 had the world’s most competitive economy.

But many ordinary Americans, and even some corporate middle managers, might greet that news with a shrug and a ‘So what?’—or a skeptical obscenity. The price of beating overseas competition has been bitterly high; wave after wave of downsizing layoffs, wage increases limited or forgone, replacement of full-time workers by part-time or temporary hired hands. Even those who have hung on to regular jobs are often too exhausted by long hours of overtime and weekend work to enjoy the extra money they are earning.”

We must see what is happening; we must understand what is in it for us. I do not know if the managers on the other side are exposed to these things. If they are, perhaps they can tell us why, in view of what they are doing, they have rejected all that is happening. It continues on page 34:

“But workers complain that for them expansion spells exhaustion. Throughout American industry, companies are using overtime to wring the most out of the U.S. labor force; the factory workweek currently is averaging a near record 42 hours, including 4.6 hours of overtime. Americans, observes Audrey Freedman, a labor economist and member of TIME’s board, ‘are the workingest people in the world’. The big-three automakers have pushed this trend to an extreme. Their workers are putting in an average of 10 hours overtime a week and laboring an average of six eight-hour Saturdays a year.

Worse still, the Buick City employees gripe, each is being asked to do what used to be several jobs. 'If somebody retires, all they do is take the work and give it to other people' who already have their hands full, says one worker. That complaint is echoed by workers, blue collar and white collar, in varied industries all over the country.

'I'm doing the work of three people' says Joseph Kelterborn, 44, who works for the NYNEX telephone company in New York City. His department, which installs and maintains fiber-optic networks, has been reduced from 27 people to 20 in recent years, in part by combining what were once three separate positions—switchman, powerman and tester—into his job of carrier switchman. As a result, says Kelterborn, he often works up to four extra hours a day and one weekend in three. 'By the time I get home,' he complains, 'all I have time for is a shower, dinner and a little sleep; then it's time to turn around and do it all over again.'"

So, you see what is happening in the mecca. This kind of reform is very close to burn-out of the people. You will see, as I go along. This article continues at page 36:

"Chief Executive Andrew Grove's advice to companies eager to emulate that success: 'You have to understand what it is that you are better at than anybody else and mercilessly focus your efforts on it.'"

So it is important that we in Trinidad and Tobago decide what industry we are better at, and then go after it mercilessly. That is the advice given. It goes on at page 37:

"Corporate downsizing is wiping out high-paying manufacturing jobs almost as effectively as losses of sales to foreign rivals might.

For example, in 1993 the top 100 U.S. electronics companies eliminated 480,000 jobs. Says John Stern, a vice president for the American Electronics Association: 'The American life-style is supported by manufacturing jobs. They are the entry point into the middle class for women and minorities and anyone else climbing the ladder who doesn't have the contacts or education to become a software engineer. These people can't lead a middle-class life in the service jobs that are left over.'

There is much evidence, in fact, that the U.S. is developing something of a two-tiered society. While corporate profits and executive salaries are rising rapidly, real wages (that is, discounted for inflation) are not growing at all.

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Indeed, the government has reported that last year real median household income in the U.S. fell by \$312, while a million more people slipped into poverty; those officially defined as poor were 15.1 % of the U.S. population vs. 14.8 % in 1992. Those were astonishing developments for the fourth year of a business recovery that is steadily gaining strength.”

You see, what is happening is that the American worker is reaching a point of burn-out, and more and more people have to take three days a week jobs and part-time jobs. It is very difficult for those people to feed their families on that kind of income. Sen. Wade Mark made the point on the erosion of benefits to the workers of Trinidad and Tobago. This is exactly what is happening in the United States of America.

The point I am making is that the pattern that is being set by the United States is being imported into Trinidad and Tobago, and I am saying that the pattern has disastrous results. Because while the United States has become number one, look at the cost to the workers, the people who should benefit from that kind of recovery. They are earning less money. This is the problem we have, and they have to compete. What would happen to the US worker when there is retaliation from Taiwan, Japan, Hong Kong and Korea, when those workers have to beat the US workers by lowering their rate of wages? The cycle will go on and on. Do you understand what is happening to us?

Although trade liberalization is a certainty and we cannot get away from it, I am saying that we must have our own safeguards for our population, so we do not fall into that pit, that abyss, that the others are falling into. We have the pattern to look at and, therefore, we must take example and avoid that kind of pitfall. That is the point I am making.

Let us now see how the so-called 4 per cent growth is helping our people. The Minister of Finance has made quite a big thing, and if I were the Minister of Finance I would probably do the same thing—make a big thing out of that 4 per cent growth. Herein lies the difference between that side and this side: They are talking about growth, numbers and money which has gone into the pockets of the wealthy, which has not reached the people that we care about, which is the poor. They get nothing. The people who are underemployed, unemployed, these are the people. I quote with your permission, Sir, the *Express* of Wednesday, November 23: “Food Prices Show 9% Rise in 1994.”

4.10 p.m.

When you have a price rise of 9 per cent, this must be taken in context, that all of us, the king and the beggar, must eat for mere survival. If nothing else, if we do

not drive in a Mercedes Benz, if we do not live in Federation Park, we must eat. Therefore, the first obligation of any good government is to make certain that the citizens of the country can eat, and eat in a manner that they can sustain themselves and live a healthy life. On that score alone, the Minister of Finance has failed. He has failed the people of Trinidad and Tobago.

Much is heard about this social safety net, and I have been told that this social safety net is being used for political purposes. When they give with one hand, they ask back with the other hand. I am told that the Member for Barataria/San Juan has been going about asking—when she gives with the right hand she asks with the left—“Can we have a ladies' group in your place of worship?” Thankfully, she has been rebuffed in a very nice, pleasant and wonderful way. She and the PNM must understand that whatever sins they commit we will know about them and we will deal with them.

The Minister led an assault on the business sector by removing stamp duty and import surcharge, plus the lowering of duties by 5 per cent, without the safeguard to assist in protecting the sector. Why could the Minister not put in place the anti-dumping legislation which was promised so long ago, the regulations to prevent under-invoicing and unfair trade practices? I know my friend on the opposite side would be aware of what I am talking about. How can they expect the private sector to be the engine of growth, and yet hit them on the head with this kind of measure?

When the Minister talks about an imposition of a 6 per cent insurance tax, do you know who would get hurt? Every single person who owns a house, a vehicle; every single person who owns some kind of business that is insurable, because the insurance industry simply cannot take the cost of the 6 per cent tax. It is going to be passed right back to the consumer, and goods and services will go up. As a result, some people who cannot afford the increase will underinsure, which is dangerous, and therefore, if they have a claim they would be in trouble.

I believe that the Minister should reconsider the 6 per cent insurance tax because it is the very people whom they want to hire people and make conditions better and lower the unemployment rate, that they are putting such pressure on. I do not know whether the Minister considered that within the last few years insurance increased by 300 per cent. Ask Sen. Rahael that; he would tell you—and, I hope he would get up and bat for one of the areas of which he is a part. Now on top of the 300 per cent to put another 6 per cent, which will eventually end up to be about 7 1/2 per cent, is totally unfair.

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One has to understand there are some families with five children and the head of the household owns a very small old car—15 years old, because he needs it. He cannot afford public transport and he has these children to take back and forth. He is hardly making ends meet. I am sure all Senators see them on the road every day. A person like that, where is he going to find this extra 7 1/2 per cent to insure that vehicle? *[Interruption]* It will end up to be 7 1/2 per cent when they add the commissions.

Let us examine the business penalty for not filing income tax returns. I am not concerned about the quantum of \$1,000. It is the question of a grace period. A grace period of 33 days is totally insufficient. What will happen is that businesses, which for whatever reasons may not have filed their returns, in order to beat the deadline, would file any returns and then later appeal the decision which would clog up the whole system.

I do not think it is a good thing for the income tax department, Government and—*[Interruption]* Check it back from November 27, when the announcement was made, to December 31 so you would understand. We do not need that kind of humbug. I am asking that the Minister consider a grace period of six months.

I now move to the increase of the 0.5 per cent on gross sales. This is another measure that is much too harsh. I know the objective of the Minister in widening the net is to catch those tax dodgers who are not now paying tax. I understand that, and it is a laudable objective. But consider who would get hurt—the sardines who are just making do, and those legitimate taxpayers who would be penalized by this measure. The businesses that cheat will find innovative ways to continue to cheat, and all that the Government is doing is penalizing the legitimate taxpayers. That is where the problem is. Those who are on the verge—and there are many businesses that are making hardly any profit at all, in a kind of almost lost position but—*[Interruption]*

I know the Minister does not know anything about what I am talking about, so I would not respond.

Mr. President: You have now moved into your final 15 minutes.

Sen. M. Hosein: Thank you, Mr. President. The lowering of corporation tax will not bring job creation. They are fooling themselves if they believe so. The downward movement in corporation tax would eventually bring more returns to the Treasury, but we are a long way from that. It is only when we reduce the rate

to a level which would encourage creative accounting and when we tie the reduction in corporation tax to specific job creation would we see the benefit.

4.20 p.m.

At the moment, the biggest bugbear to investment and job creation is high interest rates. The Minister has a problem on his hands. The reduction of duty, the removal of stamp duty and import surcharge would fuel the haemorrhage of foreign exchange, so he would use the interest rate to control that haemorrhage, plus the ace up his sleeve, which is always the parity of the Trinidad and Tobago dollar.

The Minister of Finance, having opted to ride the tiger of trade liberalization, dares not dismount. The stage is set for investment by foreigners and the loss of control of our economy and development. Under this Government, it seems that we are bent on importing the ills of the metropolitan cities. We are not satisfied to sell the assets of Trinidad and Tobago at bargain basement prices with no accountability, we are now attacking the morals of our society with Play Whe and Lotto.

“The answer to your dream” is what the advertisement says. These devil games which bear the mark of the beast, 666, cause major problems in our society. There is an effect on small business. Do you know that soft drink called Lil Boy? Sales are down. One retailer, who used to sell 35 cases per week, can only now sell five cases. Schoolchildren are now taking their lunch money and drink money to play through touts. Some of these beasts in human form have touts taking money from these children.

Many homes are going with reduced groceries and some with none at all. The money is being spent on Play Whe. Lotto machines can be found in every nook and cranny of Trinidad and Tobago. The availability is there. Soon Trinidad and Tobago will become the Las Vegas of the Caribbean. These games redistribute money from the many who cannot afford to the few whose bread is well buttered. More importantly, these nefarious games are sending a message to our people: You can get something for nothing.

Do you remember what the crash programme has done to the work ethic in Trinidad and Tobago? The people looked towards their leaders for direction and example. How can we explain our Prime Minister telling the nation that he is a born-again Christian, and in the same breath encouraging them to gamble? I wonder, and want to know from the Prime Minister what part of the Bible allows him the moral right to encourage gambling I cry shame on the Prime Minister. I

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cry shame on the PNM. It is not enough to offend the people; he now offends God himself. We have reached the bottom of the barrel.

The Government is no longer a facilitator. In this respect, the Government is a major player. In Trinidad and Tobago, public opinion is in danger of being shaped by a select few. Already the views of the alternative government are being stifled. I have heard that the McAl Group is soon to buy into Channel 4. This group already owns a newspaper, a radio station, and if my information is correct, it would soon own a television station. I have seen a danger for our democracy here. If ever there was a need for anti-monopoly legislation, the time is now. In the United States of America, this would not be allowed. One is not allowed to own more than one of a group of the media.

I welcome the privatization of TTT. I hope the Government would do the same with the CEO as well. TTT was profitable until the Government put its honcho, Mr. Non-Performer, in charge and there were losses. The people at TTT cannot do their work with impartiality because they are afraid to lose their jobs. They will not give the alternative government its due, but they are damaging our democracy. You would observe tonight, they would not report what I say today, and perhaps ever again, but I am not disheartened. I will continue to do my duty, as God gives me the strength and knowledge to do it.

Let me say how appalled I am at the policy of the Government's Information Division. They are using state funds to promote the PNM and subdue the UNC. They simply cannot be allowed to continue in Trinidad and Tobago. Something must be done.

Divestment of BWIA cannot be seen simply as a balance-sheet item. The Minister of Finance made a big hash of BWIA as a balance-sheet item. I am saying to him today that that cannot be the way in which we should look at BWIA. It is important that we keep control of BWIA. We are not against privatization and having people come in and bring money, but we must not lose control. Between the Government and the workers we must own at least 51 per cent of the shares. That is the point we are making. BWIA is strategic to our tourism industry, and the whole Caribbean. We cannot allow that to happen. We want proper screening of investors and an environment of transparency.

A year ago I argued for the reform of the tax department. You would remember that. I therefore congratulate the Minister of Finance on the removal of tax exit certificates, but he should have gone further. If he had read my contribution he would have seen that I mentioned the issue of having interest paid

to people whose refunds are paid late. When one pays the tax late, one has to pay interest. Why is it that when the tax department pays someone one year later, there is no interest? There must be some penalty to cause the tax department to pay interest to people on a timely basis. I hope that the Minister would consider that.

What is the deal between Sun Island Cruises and the Government? It is important that we know what is happening. Why are we subsidizing a private operator? It seems to me that everyone who gets close to the Minister of Finance walks away with the plums of Trinidad and Tobago.

I call again for the zero-rating of all basic food items in Trinidad and Tobago. I call for it in the context of the poor and barefoot man. He has to buy food. I also call for a reduced VAT rate of 10 per cent on clothing because we want our people to be properly clothed. We have to help those who are poor.

The Minister talked about the \$90 million skills training programme. On the surface, I have no problem; I think it is a good idea, but we need to know more. Where is the plan? Is it dovetailing with an overall training plan? Does it dovetail with the education plan? How does it work? Nobody knows.

The roads in Barataria/San Juan—I speak for the area from which I came—are worse than any in the history of Trinidad and Tobago. Do you know what the Member of Parliament for Barataria/ San Juan tells the people? She tells them that they did not vote for her so she cannot fix their roads for them. [*Interruption*] That is what has been reported to me. The truth hurts.

I now move to the dismantling of agriculture in Trinidad and Tobago, which is a retrograde step. Food security and job creation are too important to this nation for us to dismantle agriculture. It seems to me that successive PNM administrations hate the people who till the land. That is the only conclusion I can come to. How can we compete with large land masses, the best of technology and huge subsidies? In short, “Cockroach has no place in fowl business.”

4.30 p.m.

How can we be serious about agriculture when farmers in Aranguez do not have land on which to plant? The land is being offered for sale to them at very high prices, and this Government is sitting idly by and doing nothing at all about it. It is time for the Minister of Finance to revise the incentives for agriculture and make them conditional on job creation. The present incentives are being abused.

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I am a bit disappointed that the Minister did not give the number of jobs he expects to be created by sectors. That is one of the imperatives of any good budget. Everyone knows—and I know that Sen. Ainsley Mark knows because he is an accountant—that when one is doing a budget, one must have specifics. One cannot go willy-nilly and talk about job creation. Tell us how many jobs will be created in construction, how many in agriculture and so forth, which is what we would like to know.

I wonder whether the Minister can tell us what happened with the Chaguaramas Nature Park. Do you know about that, Mr. President?

The 10 per cent occupancy tax on hotel rooms is a good change, but should be expanded to allow the bed-and-breakfast sector of the hotel industry to benefit from this measure. The growth in the hotel industry is largely in this area. Senators would have seen it. These bed-and-breakfast places are cropping up all over the place. These small guest-houses will find it difficult to separate food from the room charge and it can be an area of mischief. Let us simplify the tax and reap the benefits from being more competitive.

I am suggesting to the Minister one of the following further incentives for the tourism industry:

- (a) a write-off of 200 per cent of the labour costs of new hotel buildings;
- (b) a five-year tax-free holiday for the hotel industry.

In a best-case scenario, Trinidad and Tobago will be good at jobs in the service sector from the United States—Pizza Hut, McDonald's, Sears, Tad's Steak, Seven Eleven and so forth. All the low-paying jobs are where the opportunities will be for the vast majority of our people who are unemployed, with the exception of the energy sector, where few jobs will be created.

Mr. President, it seems, “colonialism gone, colonialism dey.” The more things change, the more they seem to stay the same. All that the PNM has succeeded in doing is changing the masters, but the slaves remain in the same condition.

In conclusion, let me say that the multinational corporations of the new economic order are suffering from corporate anorexia and this Government is like a true, true Trini copycat; it is suffering from governmental anorexia.

Mr. President, may I extend fraternal greetings of the season to you and your family and to all Members of this honourable Senate and their families.

I thank you.

Mr. President: The Senate is suspended. The sitting will resume at 5.05 p.m.

4.34 p.m.: *Sitting suspended.*

5.05 p.m.: *Sitting resumed.*

Sen. John Rahael: Mr. President, as I listened last week to the hon. Minister of Finance, the bearer of good news in this season of goodwill and glad tidings, I was struck by how truly liberated this Government's policies have been and continue to be. On reflection, I realized that this was nothing new for a PNM Government.

When the party first came into office in 1956, it began the process of liberation. A short six years later, the founding father of our nation, the late, great Dr. Eric Williams freed us to participate meaningfully in determining our destiny. Now, some 38 years later this PNM Government, after nurturing the nation through infancy, is confident that our citizens are now ready to take their place on the world stage. And as any effective parent, there is a time when one needs to protect and shelter, and there is a time when one needs to let go.

In the past we have protected our manufacturing sector through negative listing and high tariffs and at certain times total ban on importation of certain products. Trade liberalization is, in effect, freeing our manufacturers to become truly efficient and competitive internationally. That is the only way they can survive; the world is becoming smaller and smaller.

The manufacturers must now realize that they have come of age and they no longer need to depend on the protective parent. Some have risen to the challenge. We have examples of manufacturers in the garment industry, in the manufacturing of air-conditioning units—Peake's for example—and I would like to give an example of a very competitive manufacturer in the garment industry, a very competitive industry.

For many years we have protected that industry and many other local manufacturers with respect to income tax holidays—again, as I said, the negative list, high tariffs—while at the same time providing incentives for these manufacturers to export. This particular manufacturer located in Diego Martin used the period, while being protected, to become efficient and to update and modernize his plant and equipment. He looked at the export market and having secured his home market producing a good quality garment, then looked at the Caricom market in order to get the experience to export.

After entering the Caricom market he then proceeded to cast his eyes on the North American market. Today, that manufacturer's entire production is

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used up for export. What did he do about his local market? Well, he contracted another factory that was on the verge of closing down to produce garments of the quality that he required for the local and Caricom market.

Therefore, this manufacturer, in a very highly competitive industry was able to see the future. He had the vision to go out there and ensure that he secured a base for his factory and also ensure that another factory also produced garments for him. While we have some manufacturers rising to the challenge, we have other manufactures who fall by the wayside within the same industry.

We have come of age, where, as I have said, our manufactures now can no longer be protected. I know that there are concerns about the implementation of the anti-dumping legislation and container stripping and the like, and I, too, have those concerns. I share the concerns of Sen. Mansoor and Sen. Hosein with respect to ensuring that we have a level playing field, that our manufacturers are protected from dumping and from goods coming into this country heavily subsidized.

Yes, our Government needs to speed up the implementation of the anti-dumping legislation, container stripping and the like and we have been told by the hon. Minister of Finance that in the early part of next year that would be implemented.

I also heard the call by the manufacturers for the elimination of the 5 per cent duty on imports. I am sorry Sen. Mansoor is not here because, yes, once again I am going to remind hon. Senators that there is in place and functioning, a rebate system on exports. One would recall that in my contribution last year I indicated that manufacturers who exported their products received 1 1/2 per cent rebate on the total value of the export. During the course of 1994, we increased that rebate from 1 1/2 per cent to 2 1/2 per cent, again, encouraging manufacturers to go out there and be competitive and export their products on the international market.

If a manufacturer exports approximately 50 per cent of his total production, then the effect of that would be a zero duty for production on the goods that he is importing, because the 2 1/2 per cent would represent about 50 per cent of the duty that he would pay with respect to the imported product and the 5 per cent duty on the imported product.

The idea is that we are encouraging and we are putting in place incentives for our manufacturers to export, and it is functioning. *[Interruption]* Yes, it is functioning, because we export.

Sen. Hosein: When do they get the cheque?

Sen. J. Rahael: The manufacturer does not get a cheque. Again, the Members on the other side do not understand what is taking place. What one gets is a certificate for the full value of the rebate, which can then be used at any time to pay the 5 per cent import. One just needs to present that certificate and whatever is the value of that 5 per cent would be marked off, and the certificate is returned immediately. The rebate system is functioning effectively. I had hoped it would not have been necessary to produce another chart to illustrate this, but probably I should have done that for Sen. Muntaz.

I know that voices have been raised against the influx of foreign and international firms, particularly in the distribution service sector, but there are positive sides to that liberalization. We are seeing one such effect in local manufacturing firms being able to access international markets through the presence of some of these international fast food businesses. McDonald's, for instance, purchases ketchup from one of our manufacturers here and that gives him the opportunity to access McDonald's in other parts of the world. Cariflex, which as you know, bought over the Trinidad and Tobago Printing and Packaging Factory at Industrial Estate—a factory that had been losing money for the past eight or 10 years that they have been in operation—and from the very year that the private sector took over that printing and packaging industry, they immediately turned it around. And not only did they turn it around, but they started producing packaging material for the likes of Pizza Hut and others. Again, because of the presence of such international companies, Cariflex is now exporting their packaging products to Puerto Rico and Venezuela. Their eyes are, of course, looking farther abroad.

5.15 p.m.

The whole question of free trade is something that is beneficial to Trinidad and Tobago. I want to quote from the *American Business Enterprise*, on page 125. It says:

“Benefits of Free Trade;

Economists generally believe that greater economic growth occurs for countries and their trading partners that adopt free trade. This results in improved living standards in these countries because consumers are able to purchase a wider assortment of goods at lower prices.”

I repeat:

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“This results in improved living standards in these countries because consumers are able to purchase a wider assortment of goods at lower prices.”

I continue:

“An example of this is the economic growth in Western Europe that occurred because of the relatively unrestricted common market among European members. Hong Kong, Singapore, Taiwan, and South Korea are examples of the developing countries that have generally followed free trade policies and have achieved significant economic growth.”

Trade liberalization and free trade benefit the consumer.

Last year I outlined how the reduction of surcharge and stamp duty and duty would have reduced the price of imported goods into Trinidad and Tobago. I remember Sen. Rooks asking me to retain the chart so that he would make sure he charges me this year. I have retained the chart. In keeping with our statements on reducing tariffs, thereby reducing the cost to the consumers of imported goods, Sen. W. Mark said that we hastened removal of these stamp duties and surcharges. In 1992, the Government outlined its policy stating that it was going to reduce surcharges, stamp duty and the CET and by 1995 the CET would be the only form of tariff left.

There was no hastened removal of anything. As at January 01, 1995 stamp duty and surcharge on a large number of items that previously attracted such charges are going to be reduced. These items cover areas including personal products such as perfumes, hair creams, hair oils and personal deodorants. In the construction industry, the reduction of prices on corrugated galvanized iron and steel, sheet metal shelving and panelling, chain link wire fencing whether coated or not, finished structural parts of aluminium and many other items is going to help reduce the cost of construction.

With respect to household products there are going to be reductions on items such as gas stoves, domestic electric fans, refrigerators and washing machines. With regard to washing machines—if one were to take \$1,000 cif as a base price with the stamp duty and surcharge in 1993 that price would have been \$2,070. In 1994, because of the reductions, the price fell to \$1,782; in 1995, the price will fall even further to \$1,495.

You see, what we are in fact doing is reducing the cost to the consumer, and at the same time exposing our manufacturers to foreign competition. Yes, there may be some manufacturers who would fall by the wayside, but then there are others

as I have illustrated earlier, who would in fact, expand their businesses. It depends on the entrepreneur who is prepared to take up the challenge, to go to the Olympics and swim without any protective floats so that he does not sink. These are the kinds of entrepreneurs we want to develop in Trinidad and Tobago: entrepreneurs who would be able to compete on the international market.

I think that I have made out a case for trade liberalization and its benefits. Again, I repeat that we need as a Government to put in place the measures to ensure that there is a level playing field. I would encourage the Minister of Finance and the Minister of Public Administration to ensure that in early 1995, these measures are put in place.

Now, the question of the increase of business levy that Sen. Hosein complained so much about. This increase from one quarter to half of one per cent should not cause any increase in prices. Remember that business levy is offset by corporation tax, so that for example if a business makes sales of \$1 million per year, is it unreasonable to ask that a business of that size and of that nature make \$13,000 for the year? Is it unreasonable that a business having a turnover of \$1 million should show a profit of \$13,000? Thirty-eight per cent of that is approximately \$5,000; half of one per cent of that same million dollars is also \$5,000.

What we are saying is that a business with an income of \$1 million which makes demands on government agencies, such as the fire services, the protective services and all these other types of services that the Government provides, should pay \$5,000 in tax. Is that unreasonable? There are businesses that, in fact, show a turnover of \$100 million or \$50 million and end up paying no corporation tax. There are creative accountants on their payroll. What we are saying is that no business can really survive without making, at least, half of one per cent of its turnover. If it was left to me, I would abolish corporation tax altogether and institute a higher percentage of business levy.

5.25 p.m.

On the question of corporation tax, last year when the incremental tax was introduced, Senators on the other side complained that it would have complicated the tax structure. Well, the Government listened and it responded, so that this year the tax structure has been simplified. This is just one area where the Government itself has been liberal and liberalized. This Government is free from hang-ups, unlike my friends in the Opposition who merely oppose for opposing sake. They continue to make statements about which they know nothing.

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The Opposition mentioned that the consumer would have to pay for the 6 per cent tax increase on insurance. Also, that for the past five years there has been an increase on insurance premiums. That is correct; there has been an increase on insurance premiums. But today there has been a reduction of approximately 15 per cent on the insurance rate on policies that govern general insurance. You see, this Government, in its wisdom, waited until there was a reduction of the insurance rates to introduce a 6 per cent insurance tax. *[Interruption]* As I said, they do not do their homework. They do not know what is happening out there.

There has been a reduction in house owners', comprehensive policies, commercial and fire policies of, at least, 15 per cent. Tomorrow hon. Senators can check that out and confirm it since they seem to be in doubt. There will be no increase to the consumer because of the 6 per cent insurance tax.

I am glad Sen. Mansoor has just returned because he should know that there has been a reduction on insurance rates in effect and the premium has been reduced. Obviously, Sen. Mansoor omitted to make that statement when he made his contribution.

However, the Government is freeing the nation from bureaucracy, so the need for a tax exit for travel purposes has been removed. Duty-free allowance for returning travellers has been increased. In effect, people are being liberated from possible sources of corruption. But, with freedom comes responsibility.

Sen. Hosein's responsibility is to file his income tax return on time or face the penalty. It is not 33 days one has to file an income tax return. Income tax returns are due at the end of April and if they are not filed by the end of October, then there is a fine of \$1,000. So that when the Member comes here and talks about 33 days, he is just misleading the Senate. By freeing up personnel from the issuing of tax exit certificates, those officers will be retrained and redeployed so that they can work in areas with respect to tax compliance. So the resources to widen the tax net are also being made available.

In the other House the question of giving profits a dirty meaning was dealt with, but may I also make the point that *mauvais languing* businesses benefits no one. In fact, very often it is misinformation that damages a person's reputation; and we, in Parliament, should not abuse our privilege to contribute to that kind of behaviour.

May I inform Sen. Capildeo that it does not take one or two seasons of selling curtains to put up a house or a wall in St. Clair; it takes 50 years of work in order to put up a house like that; and it starts from peddling to what exists now. When

the Senator comes here and makes the statement that there is some big wall going up there and he wants to know how many yards of curtain one needs to sell to put up that wall, that is totally irrelevant to any debate here. *[Interruption]*.

The Government knows what it is all about. It knows where it is going, and the economic indicators show this. The Opposition has a problem with this! And I understand that they have a problem with accepting that there is economic growth in the country. I know they have a problem with accepting that there has been a small reduction in the unemployment situation in this country. I know the Opposition has a problem with all the good things this Government is doing because, as the Leader said, his job is to get Manning out of there. So, I understand where they are coming from.

This Government has improved the standing of Trinidad and Tobago on the international scene. This country has earned the respect of the international community. Our foreign reserves are at a comfortable level. Whether hon. Senators like it, and whether it is managed, the fact of the matter is that the exchange rate is stable. Inflation is under control, and we are chipping away at unemployment.

Sen. Barrack: But unsuccessfully so.

Sen. J. Rahael: Despite all the doubting Thomases, Port of Spain is being beautified successfully. May I inform Sen. Wade Mark that the Brian Lara promenade is a reality, financed mainly by the private sector. I recall when that promenade started, Sen. Wade Mark went on the Breakfast Club and made all sorts of statements with respect to that promenade, but today we are all proud of it. It is the same private sector that Sen. Wade Mark likes to attack which is responsible for what is taking place there.

Sen. W. Mark: Manipulation.

Sen. J. Rahael: It is the same private sector that will be responsible for the maintenance and security of the promenade—not Government. *[Interruption]* No, no, no, it is the private sector. The year 1995 promises more development for the capital city. The Brian Lara Promenade will continue past the Cathedral.

Sen. Daly: Mr. President, does Sen. Rahael think that the completion of the promenade has anything to do with Brian Lara's loss of form?

Sen. Draper: Form is only for a time; class is permanent.

Sen. J. Rahael: Mr. President, we propose to start work on the Centre City. Again, construction! Construction will take place in Port of Spain, the likes of which one has never seen before. Private construction continues as the Government introduces different incentives for this sector. This is a thinking Government. A particular type of incentive was introduced for the construction industry and those who wanted to take advantage of that incentive did so, and they, too, can start the construction of their properties.

This is all part of the Government's continuing effort to stimulate the economy. That is the Government's job: to stimulate and facilitate. The success of our efforts relies on the participation and understanding of the entire population. We ask them to continue to work with us so that together we can all look forward to a brighter future. We are liberating our citizens from excessive bureaucracy. We are liberating our citizens from pain and unprofitable concerns. We are liberating our citizens from bearing the tax burden of those who do not pay.

Our citizens must now free themselves from the dependency syndrome. They must free themselves from an aversion to hard work and savings. They must free themselves to move into the 21st century where, as a liberated and productive people, we can have a place of consequence in this global village.

I thank you, Mr. President.

5.35 p.m.

Sen. Carol Mahadeo: Mr. President, I must state that the ink in my pen was very faint and I would have preferred to have something like the lectern. However, as I was going through Woodford Square in search of my lunch at the lunch break, there were quite a number of protesting daily-paid workmen and women from the Port of Spain City Corporation shouting and singing lustily just as it is at this time of the year—

Sen. Mahadeo provided with lectern.

Sen. C. Mahadeo: I think I am more comfortable this way now. Thank you. They were chanting very lustily, half singing, half talking: "We want we money now; we want we money now; we want we money now for Christmas; we doh want to hear ole talk; we ain't going in back to work; we want we money now for Christmas." And while looking on at this situation, I found that I had something to start my theme on the budget statement. I almost lost my footing as well, having to cross the pavement.

However, I am so unhappy not to see the hon. Minister of Finance sitting here, because the very first paragraph of his budget—

Sen. Huggins: I am here.

Sen. C. Mahadeo: The Minister of National Security is taking the notes. I know I can trust him to do that.

It strikes at the very heart of his strategy, bearing the good news that several Senators spoke of, and also the good news, as my Reverend colleague here reminded me, that the angels gave to the shepherds in the fields of Bethlehem. Unfortunately for us, we do not have a star hanging on it. What we were told, apart from the many Santas you have in all these malls, and so on, ringing their bells bearing the good news for us and the glad tidings of the season, is that good times are ahead for us—“we are no longer at sea”. I remember that clearly; so that we are looking ahead at “land ahoy”; and that he is sorry that he cannot place us all on top of the mast. But what a disaster that would be to put 1.2 million people on a mast of a ship that is still at sea and looking towards land. I am happy that I am not looking at that piece of land, because happily we all belong to Trinidad and Tobago and we are quite happy to have our feet on solid land. We are on land at the moment.

He has told us also that the *Financial Times* has identified our country as a hemispheric leader in terms of readiness for the challenges of the new free trade environment. But, as I said, in his newly wedded bliss he must surely be in a state of euphoria. I wish my Minister of National Security would write down the word “euphoria” for me—to have we citizens believe that our Minister of Finance is like Christopher Columbus, telling us about this “land ahoy”.

Last year the hon. Minister stated that we were gearing towards being the global city of the Caribbean, which so many of my other colleagues have alluded to earlier. He did outline certain pre-conditions to reaching this goal. He is so pleased, so satisfied, he says, that he wants us to focus on additional conditions necessary to create an enlightened and liberated citizenry who will pursue and create that global city when Government moves to give greater freedom by eliminating both fiscal and bureaucratic burdens.

I am at a loss because neither an accountant nor an economist am I. Fiscal, I know, has to do with monetary measures, but the “bureaucratic burdens” is what I want an answer for. I do not seem to be able to understand that piece of language. I see the deputy who is supposed to take the notes is not even making an attempt, but I will be coming to him and his ministry in a while.

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He continues to say that in the first year his economy was stabilized—that is on page 2 of his budget speech. He had stimulated enough during that first year. He also said he devoted significant resources to the public service in settling the court award. He goes on, saying that in the second year the focus was on Government's fiscal measures, again, and further stimulation of the private sector.

What was happening then between the first year and that second year with that private sector stimulation? Why was there the lack of stimulus so that the private sector was not able to move on and he had cause to give further stimulation during that second year? This, I would have liked answered by him.

In the third year he said there was continued stimulation. So it seems as though the private sector had got very little help at all. As for small businesses, they may have fallen by the wayside because of lack of guidance and Government help.

He says, “In the third year we continued stimulation of the private sector” and expanded the social safety net. How much has it done for our people? I am guided by some notes from Sen. Diana Mahabir-Wyatt. I always like to play it fair, and as we heard a new statement being made in this House, we are on a level playing field—we hope.

Before Sen. Diana Mahabir-Wyatt left yesterday afternoon, she asked me, particularly, on the social services side, to mention certain things for her. Dutifully I am doing that because apart from herself, I would have touched on those very points. Her questions were: “What comes under the special social safety net programme, to which \$25 million has been allocated, on page 198, Head 41, 00512?” I am reading now from her notes. It goes on: “It is most unusual to have such an allocation with no details given whatsoever. Is money being allocated to the self-esteem programme which spends considerable amounts of money on media advertising and is shortly to bring in an American consultant to assist?”

Mr. President—these are now my words—that takes the cake, or the child's lollipop from his mouth! You are telling me you are going to bring a foreign expert and consultant when there is a Trinidad national receiving an alternative Nobel Prize for doing work, among other things, involving raising self-esteem—

Sen. Huggins: On a point of order. I just want to make it abundantly clear that this self-esteem committee received absolutely no financial support from the Government. It is a private organization and any financial support it receives, as with any other charitable organization, is what it begs for from the corporate citizenry. It gets absolutely no government support.

5.45 p.m.

Miss C. Mahadeo: Thank you very much for that clarification. Allow me to just finish it off, otherwise she would think I did not perform my task well. I want to set the record straight.

While this person is helping to raise self-esteem among the disadvantaged people in our midst, an American is sought at considerable cost—so I am told in this paper—to teach Trinidadians how to raise the self-esteem of Trinidadian children. How can a foreigner know about our local conditions and our local environment better than we?

She said, “We hope the Minister can assure us that Trinidadian taxpayers' money is not paying for it.” *[Interruption]*

What is the retired experts' programme? Six associations of retired persons were canvassed, including the Trinidad and Tobago Association of Retired Persons—I am sorry that the Minister of Social Services is not here. *[Interruption]* I am not seeing you writing though. What will you tell her?—the Retired Teachers' Association, the Retired Public Servants' Association and the Retired Nurses' Association were all approached, and none of them has been consulted; none of them had any members who had been asked to serve as retired experts, although, the Minister is quoted in the press as saying—and we have to take what the press is saying because we are hoping that they are fair and accurate in their reporting.

Sen. Huggins: Not all the time.

Miss C. Mahadeo: Well, I would not enter that arena at this time, Mr. Minister. Is this an example, once again, of ignoring the NGOs? When we are trying to get into the mainstream of expertise, these are the people with high-level expertise whom we should co-opt. And I am happy that my female counterpart, Sen. Joan Yuille-Williams, agrees with me by shaking her head in the affirmative. I trust that she will add some fuel to the Minister of Social Services in her ministerial capacity.

We know of the Geriatric/Adolescents Partnership Programme which the Minister also said is in operation. I did see evidence of it on the television. I saw where young boys and girls were assisting these elderly people, when they would leave their own grandmothers at home with a bit of spit hanging on their face—I have to say it—and, for the purpose of the public image, would go and hold the hands of some poor old geriatric male or female, and wipe their faces, rub their

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legs and give them a little run in their wheelchair. Yet they would leave their own elderly people at home unattended. I know of these things, that is why I speak, says the Senator.

According to her it is, unfortunately, mean, as most elderly people these days resent being referred to as “geriatrics” according to the various associations of retired persons interviewed. They resent the word “geriatrics”. Maybe the Minister concerned will try to use another word instead of “geriatrics”—association of retired officers, public servants or whatever. You would find a suitable name for them.

And the Senator wants to know: “At a time when resources are scarce and the population is being asked once again to be forbearing, why it is that the Ministry of Foreign Affairs is sending \$25,630.00 as a contribution to the United Nations' Trust Fund for publicity against apartheid?”

She thought that South Africa had long ago rung the bell of freedom, for Mr. Mandela is back with a bang as President of South Africa and has taken as his second in command, the former President of the South African Republic. The Senator went on to say she ponders whether no one told the ministry the apartheid system has been dismantled.

We all know that. The Ministry of Foreign Affairs is sending \$50,000—I did not have the information. I am happy that Sen. Mahabir-Wyatt has it. I do not know how she got it, but I have not been able to get that. She notes that this \$50,000 is sent to the Commonwealth Committee of Foreign Ministers, on South Africa.

Again, on the South African issue, she wants to know why the Minister of Labour is paying out \$300,000 for the second year in a row as grants to friendly societies—my colleague here may not be too happy to hear that—to cover deficits. My friend Sen. Dean is not looking in my direction at all.

Sen. Dean: I have nothing to do with friendly societies.

Sen. C. Mahadeo: You do not. Thank you very much for clarifying that because I thought credit unions and friendly societies were somehow interrelated or bearing some pumpkin vine relationship.

“And how is the Ministry of Health subsidizing the Catholic Marriage Advisory Council, the New Life Ministries and the Living Water Community to the tune of \$988,000? What is their involvement in health?”

I, too, want to add my quota to that. These people are already established. They have their physical infrastructure. They have all the other means of carrying on with what they are doing—there is the Rape Crisis Centre, the Halfway House, the Centre for Battered Women and Abused Children. Instead of the Minister of Finance telling us he wants to build more of these structures, why does he not expand and refurbish these very buildings? Whatever grants and allocations he has put there for this purpose could then be used out of that fund to give these people sufficient money to carry on with the expanded work.

I am sorry the Minister of National Security was not in his seat to hear this part. This came from me. *Hansard* would give it to you. I am sorry the Minister of Education has left. I was hoping to offer him heartiest congratulations on having the School Feeding Programme expanded. *[Interruption]* When someone merits congratulation, I do not double deal, I give it.

It is very good that he has been able to get \$9 million allocated to the School Feeding Programme. I wish though, that it could have been doubled because, if he is thinking in terms of what I heard him say before the tea break—that he is thinking of the zero to five-year-olds, the pre-school children, to feed them and to have them in an environment with their parents as well, it means that he must have the physical infrastructure in place to do all of these things. Then to continue at the primary school level, the five-year-olds, the 11- to 12-year-olds and then on to the secondary school level where so many lunch boxes are to be given.

I certainly support my colleague on the Independent Bench, Sen. Prof. Spence, when he asked the question on our agricultural programme. I was told by the Minister of Finance that our agricultural sector has been booming in that we have had so much by way of export.

5.55 p.m.

Has the Minister been able to see that some of that is channelled into the School Feeding Programme where we would not spend so much money on imported foodstuff, but use our own local products? I heard the Minister of Education talk about goat meat. He is not talking about fresh goat meat because that is prohibited because of the price. Most of what we have here is imported. I do not think the poor children are able to get that except, maybe, once a week, if at all.

This is one for the Attorney General. He was quoted as having said in a speech last week that there would be an upgrading in technology for the Industrial Court to provide the necessary support. There is no adequate provision for this in the budget.

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While on the question of the courts, I now come back to the hon. Attorney General, who is absent. I wanted him to answer me. [*Interruption*] Your turn is coming. Since he assumed duties as Attorney General about three years ago, has he ever been to the Sangre Grande Court House?

I must raise questions that pertain to my area. I have never seen him around. What I can say is that he doubted me when I said that the building was in a state of dilapidation. He said that on the drawing board the Minister of Finance has certain other court houses, such as Arima and Princes Town. No mention has been made about the Sangre Grande Court House which is almost like a pigpen. It is 50 years old. I would repeat what I said in the budget debate on my assumption 1991/92, that that court house has all the broken pieces where the prosecutor and other officers sit. One of these good days the Government may find itself having to pay some heavy compensation to those people when the roof collapses on their heads.

That has been a bugbear with me so I have to repeat it. It would seem as though the Attorney General has not heeded the call to even visit it since I spoke. That building was built 50 years ago to accommodate about 50 persons. Today, the number of litigants passing through that court is anything between 350 and 500. On a Wednesday, when there is a licensing session—[*Interruption*] not crooks. I am talking about a licensing session when the Government gets a lot of the money, where businessmen go to pay their dues for obtaining licences for their business places, for their rum shops and bars. Maybe the Minister is not aware of that.

All these people are there. The yard and the corridors are overfilled and when the sun is out they are burnt, and they get drenched in the torrential rains. It rains heavily in the east. I do wish he would take a note of that and put the Sangre Grande court on the drawing board for the 1995 session. The Minister of National Security must not shake his head negatively—that is for the Attorney General—his turn is coming now. He is shaking his head in the negative and out of turn.

The hon. Minister of Finance said that he would be boosting up the security system with higher allocations. I would take that to be the Defence Force and the Police Service; the Boys' Industrial School. That is under social services. [*Interruption*] The Minister of Finance has to answer those questions because he has the overall purse holding the money to allocate.

The Government has placed the hon. Minister of National Security for the second time plumb astride the horse—spurs and whip in hand—and he has come back very forcefully, but without his Texan hat. What is the allocation for the

Minister of National Security? Every day we hear about broken-down vehicles or that there is only one vehicle. They cannot get people to and from the prisons; or respond to calls when people are beaten, stabbed or shot to death, some in their very homes. This is coming too near to home, so one no longer feels emotional about it.

Sen. Huggins: Sangre Grande or Woodbrook?

Sen. C. Mahadeo: Sangre Grande is included. Indeed! Sangre Grande is part of Trinidad. Woodbrook is part of it. I am saying that there are crooks all over the place. I would not say anything further.

At this point, I am asking: Are we doing the security service any sort of justice when there are only small motorcycles? I had said it earlier this year that all they do is community service. One sees a policeman or policewoman jumping on a motorcycle waving from the roadway, without getting their shoes soiled and asking if everything is all right, when they should be going through the backways and the alleys in search of the thieves and the bandits. They have motorcycles which can easily go over hilly and rough area, but they said that they cannot do that.

6.05 p.m.

There are no prison vans. I would give one example. The only vehicle at the Sangre Grande Police Station was out of order. A policeman had to go to a businessman to ask him for a used tyre to put on that vehicle in order to answer a call and do a mission of mercy. Those four wheels were not properly aligned—those of us who drive would know that, one is bigger than the other—so there he was.

That can also lead to corruption because it means that the policemen will be in the hands of businessmen who will use them as tools. If the businessmen give them something, they will have to get something in return. We have to understand this situation. Why are we placing our police officers in that invidious position?

I pray that the Minister of Finance will see that after this Bill is passed—I think it will be passed; that is a *fait accompli*—the money will be received as quickly as possible, so that there can be no further excuses.

We come back to the divestment policy. I voted against the Bill of my dear, dear friend opposite, but it was passed, and I have no regrets. I still love him dearly, but when it comes to a conscience vote, I could not go against my conscience.

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I must say that I agree with divestment and privatization. But is this the proper time to do away with these enterprises? The hon. Minister mentioned that these were our crown jewels. Sen. Mansoor mentioned that they were our best china. Crown jewels they are. Why are we so hurriedly divesting them?

Sen. Barnes: Mr. President, just to correct the Senator for the record. I asked what I thought was a rhetorical question. We bought steam turbines from Westinghouse 30 years ago. I asked whether, at the end of their useful lives, these really were crown jewels. Some Senators opposite had mentioned it. That was the context in which I used those words. I certainly do not think they are. I am sorry for the interruption.

Sen. C. Mahadeo: Thank you very much. Even so, I do not want to get back into another argument about why we waited until this plant, machinery and equipment went down to zero; why we worked them until there was no more working life in them. Why were they not refurbished from time to time? Why did we wait 30 years until the whole thing fell down and nothing more could be done with them?

That is only on the T&TEC issue, which is behind us. We have WASA, BWIA and TSTT to look forward to. I have observed that the Minister spoke about preferred investors in one paragraph and in another he said private operators. I would like to know the difference between a preferred investor—a joint venture company coming from abroad to take up 49 per cent to our 51 per cent—and the private operator. My brain could not assimilate that.

I would like to get answers to that. Is the private operator Trinidadian and Trinidad-based, or will he operate privately like the preferred investor? I would like to get an answer.

Sen. Barnes: Mr. President, I was merely signalling that perhaps after the session I can try to clear these matters up, rather than interrupt the Senator. *[Interruption]*

Sen. C. Mahadeo: Thank you. No, no! No private discussions. We talk privately on matters which pertain to the country. From the performance yesterday he would have seen that we do not have anything under a bushel and Senators would know that as well.

I am sorry that the Minister of Works is not here. He is always so very genteel, smiling and conceding, although we do not know what venom there might be behind there, like the sting in a scorpion's tail. *[Interruption]* I did in my last contribution, Sir. I am so sorry. You will pick it up from *Hansard*.

I forgot to speak about the Sangre Grande Police Station. I will come back to the Minister on that issue. Permit me to jump back. The Senator made me lose my train of thought.

The Sangre Grande Police Station is a health hazard, a fire hazard, and also a hazard to life and limb. As a lawyer, the Senator should understand what it means. I am not talking about the little building on Briar Street. That is a temporary location where there is not even enough parking space for the one or two little government vehicles and motor bikes. How long will we endure that? The Minister of National Security—luckily he is astride his horse again—had promised that he would see that it is on the drawing board.

Sen. Huggins: It is! It is!

Sen C. Mahadeo: It is on the drawing board but it is taking rather long to get off! The plan has been drawn, which means that it is an extended plan of something quite grandiose. I do hope and trust that when it does come off the drawing board in 1995, I shall be standing alongside you to shake your hand and say: “Thank you, Mr. Minister. You have done your duty.” Let it be done in three and a half to four months and no longer.

That takes us back to our work ethic and our dear Minister and his public service reform. Seminar after seminar, retreat after retreat and meeting after meeting, but the poor Minister is actually getting nowhere. The work ethic has to come from inside the individual. The private sector is unlike government offices. They are so happy to run out to you. Go into a store! There are about 10 persons, male and female, to ask what they can do to help. Sometimes a person gets frustrated because she has not yet stepped into the store to see what she wants. *[Interruption]*

I do not support it at all and I am glad that there is a businessman on the Government benches to tell his staff and businessmen like himself not to run buyers away by having their staff coming right up to the doorway and asking them: “What can I do for you? What are you interested in?” You have not even entered the store and they are approaching you.

I am happy to hear that the Public Service Reform Programme will continue and that in 1995 the emphasis will be on the expansion of human resource. Without that, we cannot get any further. So I am told in the budget paper.

6.15 p.m.

Under the agriculture programme—the expert is here, Sen. Prof. John Spence, and he has heard me time and again talking about one little parcel of land; little it

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looks in the eyes of the country, but it is 118 acres of very fertile land called the Nonpareil Estate. I know my colleague here knows the land very well. The workers have been disbanded. I do not know what the Minister of Agriculture intends to do about that land or whether it has already been sold to a large private investor, or what has become of it. I know there is a toothless bulldog sitting there with one eye that is supposed to be looking as a watchman over that estate.
[Interruption]

I do not know what is happening to that Nonpareil Estate. As I said, I would leave the agricultural sector to my colleague who is most qualified to speak on it. He would delve further into that aspect of it. Why cannot that land be given back to the workers in, maybe, 10 or 20 acre plots and let them plant the crops that the Government would like planted?

This can help speed up production agriculturally; vegetables and fruits can be sent to the manufacturing sector like Matouks and so forth, the big conglomerates on O'Meara Road—Ansa McAl—the people who manufacture, can, and process fruits and vegetables so that we could also have a big export market.

I was with the hon. Ministers of Works, and Local Government. I had plugged on in a previous budget debate about the continuation of the highway from the O'Meara Junction to where Neal and Massy has its plant with the two concrete pillars. This is in the five-year plan of the PNM's manifesto. It is not very much to continue that highway in order to—*[Interruption]* Yes, there is a 5 per cent that we pay on our petrol which would help to repair roads and so forth—I do not know how much of it would go into bridges and drains—but that should be going into roads itself.

We want a continuation of that highway because that is a killer strip. Quite a number of fatal accidents have occurred there. *[Interruption]* Yes, we want a dual highway right up to the two pillars there at Wallerfield next to the Neal and Massy plant. That is not asking too much. He did promise to the Mayoress of Arima when he opened the highway earlier this year that he was going to continue that highway and dual it. He did give her that promise because she is young and beautiful. I am not in that category so maybe that is why he has failed to give me that assurance as well.

Under the trade reform programme, very little mention was made of customs legislation; it was just glossed over. The anti-dumping legislation was referred to casually and the unfair trade practices also referred to casually. I hope that in 1995 we are going to have legislation to cover all these aspects: customs

legislation, anti-dumping. If we are to liberalize and have free access to imports and exports, we must see that the Anti-Dumping and the Unfair Trade Practices Acts are brought into—

Mr. President: I am sorry to interrupt you, hon. Senator, but it is an appropriate time to tell you that your 45 minutes is up and you would start your additional 15 minutes after the Leader of Government Business moves a procedural motion.

SITTING OF THE SENATE

The Minister of National Security (Sen. The Hon. Russell Huggins): Mr. President, I beg to move that the sitting of this Senate do continue up to approximately 8.00 p.m.

Question put and agreed to.

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Sen. C. Mahadeo: Mr. President, I saw on page 10 something about the open-market operations to be done by the Central Bank. Again, as I said, I am not an economist or an accountant and in my ignorance I would have to ask questions. The Central Bank's open-market operations—the hon. Minister said it is a sedate domestic capital market. How sedate? I know sedate means to sit quietly and politely as opposed to sedated, which means that you are unconscious. So if I could get some amplification from the Minister of Finance as to what he means by that—the Central Bank's open-market operations; sedate domestic capital market; the market is quite sedate—I should be grateful, Sir.

As to health and education—well, I spoke a little about education. On the health side it goes right back to the regional corporations and, again, with the divestment going into these definite regions. Mr. President, I am sure that you would have seen the demonstrations on the television, where people in certain areas have been placarding, and they have even come in front of the Parliament to talk about a certain hospital in Central Trinidad, the closure of which is proposed.

After much agitation by the public the authorities agreed to open the health facilities from 8.00 a.m. to 4.00 p.m. The people protested again and the authorities said they would keep it open until something else could be done. I stand corrected. Persons from that area would perhaps know more about that.

The health service is one of the bugbears. If we are not healthy people how are we going to produce? How are we going to produce when we are ill and cannot

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get the tablets and medicines, the insulin for those who suffer with diabetes, and the needles and so forth? Patients are given prescriptions in the health offices and clinics and are told, “You have to go outside and buy the medicine; we cannot give you that because it is costing too much” and most of the time all they have available are expired drugs that have no effect on the poor patients, causing deaths daily. Yet, we are hoping to have a healthy country, ready to produce. *[Interruption]* Thank you very much. We are also a liberated people.

I must end here with this. There is on our income tax return something that is iniquitous. It was brought to my attention by a certain person who was very aggrieved, the question of alimony and maintenance payments. I understand that since 1989 the Board of Inland Revenue has been putting out a departmental circular stating what allowances were allowed a spouse.

6.25 p.m.

As we all know a spouse could be male or female, whichever one is paying the maintenance for the children, or paying the alimony to the wife or husband. Some of us unluckily married maybe indigent husbands and they take us to court and we have to pay maintenance to the husband. In this situation it is stark discrimination against the female spouse in that departmental circulars were sent in 1989 instructing the officers of the Board of Inland Revenue how they should be deducted. Again, on June 17, 1992 the chairman went on to make a departmental circular stating how the allowances were to be made.

Children for whose benefit the maintenance would be paid by a male/female spouse, that money is not income earned by the spouse; that is purely for the maintenance on a deed of separation or a court order for the maintenance of those children; it is not subject to tax. So that the spouse who has to collect that maintenance and is put into a higher bracket of chargeable income—it is not income for her, it is income to be spent purely for the welfare of the children.

If alimony is paid to the spouse then it is purely for the support of that spouse and that can be allowed and deducted by the Inland Revenue Department in favour of the spouse paying it out. Certainly, not when that money is paid in favour of children—that money is not assessable. I see that the hon. Minister of Finance tried to cure that defect by stating that in his budget speech.

Those instructions are still there with the Board of Inland Revenue—anybody who receives a return would read it in the instructions. *[Interruption]* An aggrieved person brought this file to me and I felt that it was wrong. Section (C) subsection (c) of No. 30 on Form 1(a)—Alimony or Maintenance. It says:

“Payments for the maintenance of children made through a deed of separation or court order are not considered to be alimony payments.”

And it was left there.

This is inequitable, because this document has not received the seal and approval of Parliament and as a result it is not part of the law. That ought to have come through when the hon. Minister was asking in the budget debate to do this, and let it be brought to Parliament to be corrected. It is not even a regulation that they are allowed to make under the Income Tax Act. It is purely a departmental circular coming from the head of the department, which is illegal. Those two documents must be brought to Parliament—the hon. Minister has not seen it—I wonder if those people who are members of the Board of Inland Revenue would have a copy of the 1989 circular, or the one dated June 17, 1992. I would read from the copy I have here. It says:

“The amended board technical Circular No. 1 of 1981 Guidelines for allowing maintenance and alimony payment under Section 20 of the Income Tax Act. Under the provisions of the Income Tax Act whether payments are made to a spouse for the benefit or the maintenance of the children of the marriage there are allowable deductions in favour of the person paying it out.

Subsection (2) reads:

For the purposes of the administration of Section 20 the board would allow as a deduction:

(a) Payments made to a spouse for the maintenance or benefit of the children of the marriage where such payments form part of a maintenance or separation allowance. In accordance with the terms of a registered deed of separation or an alimony to a former spouse from whom he/she is divorced they are both recognized under the laws of Trinidad and Tobago.

(b) Payments made to the wife for her use and also payments made to the wife for the maintenance of the children whom the husband is legally liable to maintain, where such amendments are made in pursuance of a court order or deed of separation. The payments made to the spouse or the former spouse as the case may be, for the benefit or maintenance of the children of the marriage under Section 20, shall not be treated as income of the children for the purpose of the act.”

This means that the mother or father or whoever is collecting that money for the maintenance of those children is purely an agent collecting the money for the

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purpose of those children because it is not for his/her sole benefit; it is for the benefit of the children.

So it is an iniquitous provision there and I do wish the Minister of Finance would see to it and have it deleted and corrected. That is a backdoor approach to correct a wrong that was done since 1989. I shall plug at it until it is corrected. This is introduced as a measure under hardship—relief of hardship, when it is putting more hardship on the person who is collecting the money—*[Interruption]*

Mr. President: Sen. Mahadeo you have three more minutes.

Sen. C. Mahadeo: Mr. President, I will not take those three more minutes.

Thank you very much.

Sen. Andre Maloney: Mr. President, today I give notice of our Government's recognition of and commitment to change. For many in our young generation, made up mainly of our youth population, such change is part of our overall development.

Today, I join with all young people in quoting part of the budget speech which is very important for all of us to internalize:

- “Liberation must mean that we are no longer inward looking and insular.
- Liberation means that our minds are free to innovate and create.
- Liberation means freedom—freedom with responsibility.”

These are the watchwords of this young Senator, and these are the watchwords of all young persons in the future.

In believing, our youth are faced with a fiercely competitive environment, where liberation is a culture today, and survival is a must. We must constantly adapt to this changing environment. It is totally imperative. I want to add, that process starts here with every one of us—each one of us who represents various interests and must understand that role even as independents. We represent business interests, the credit union movement, the religious and many other sectors. Clearly, we wish to, at least, advance an environment which is a secure one with promise; and as we set the stage, it is our goal that everyone would participate in this future.

6.35 p.m.

It is with this in mind that we must set the stage for confidence building among our young people, which is so important. This renewed confidence among

our young population must be internalized, it must be accepted, and aspects of this budget which come across as a promise of hope—a promise of signs of new development—are just part of that package in breeding confidence among our youths; confidence that we are accepting this challenge; confidence that reform is apace with stable and effective Government.

Most young people who question the role of this Government today should just look around and question their alternatives; look at a realistic situation of an effective and stable Government at all times. Clearly, confidence that we are definitely getting the job done.

What strong foundation as we prepare to build and to share in the whole process. This budget clearly focuses on people, our human resources. This budget is actively involved with our youths. May I quote from the budget statement:

“This year’s budget seeks to liberate our people from some of the bureaucratic, fiscal and other burdens which constrain economic freedom and to provide further opportunities for citizens to take a more active and participatory role.”

I would describe this statement as a mission statement for the future and for the Government in 1995; freeing all young people and getting them to feel the new atmosphere of a freer economy, willing to take an active part in all ventures.

The People's National Movement remains clearly focused in its mission, with people at its focus sharing a national vision ever mindful of the movement of our times. As a people we must internalize and accept this change. Therefore, as leaders—all leaders—it is our duty to transmit the value of change as decision makers and educators. Our society is presently at the crossroads, we must admit—this is my view and also the view of many young people—because there is an eager and enthusiastic youth population, like it or not, coupled with, on the other hand, outdated structures, systems and methods.

As an effective Government with strong leadership which understands that life is transitory and ever-changing, our approach calls for a new reality in the method of sound needs assessment for our youths, an approach which ministries have accepted to reform their task and take up this challenge.

I clearly understood when Sen. Mansoor made the point just a few days ago that most decisions are business decisions, or words to that effect. I, too, share the view very deeply that the ministries' function in providing services for the citizens

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is one that must be taken in that light. Hence, earlier on this afternoon the Minister of Education outlined his task of modernizing the education system, improving quality coupled with a greater degree of organizational effectiveness and delivery of service.

Despite the reform which is scheduled to take place in the coming years, I must draw the example of the principal of Fatima College, who was not happy with the school's examination results. This is what I call taking action and not waiting for reform—using reform as a basis to take firm decisions; taking the role as principal as being a manager, being dynamic, innovative and at least looking to tackle the needs of our young population.

“Fatima principal, Mervyn Moore, Wednesday told students, parents and staff he was disappointed in the school's performance in the CXC and GCE A'Level examinations this year. He also called for a renewed analysis and planning to achieve higher goals.”

I extend this invitation to all secondary school principals to take that action, review the analysis after each CXC examination; review the analysis after each A'level examination and put forward stronger views towards greater effectiveness. Definitely, there must be a call for higher standards. Ministries and institutions which impact upon our young population must be dynamic, flexible and change-oriented to deal with normal and crisis situations among our youths. To our trainers, teachers, educators, leaders, be careful not to prepare our young people for a world that has gone by, just to maintain your position or status quo.

Against this backdrop, I renew the call for greater synergies with all ministries and their programmes which impact upon the youths. Clearly, if one were to examine the many programmes which impact upon our youths, one would be amazed that in every ministry there are many such programmes. I shall just run through a list of these important programmes. I believe that not many people realize that gone are the days when the Ministry of Sport and Youth Affairs would do programmes for the youths. The Government has since instituted programmes at every level and at every ministry, and we must understand this in the context of what is taking place today.

In the Ministry of Trade and Industry there is the Small Business Development Company (SBDC) which has a function to provide information linking up with many of the Youth Training and Employment Partnership Programme (YTEPP). They are supposed to provide a synergy role in linking the students who would come out of these programmes and get into business.

There is also the FUNDAID which is a non-governmental organization but which receives guarantees and provides opportunities and financing to young people. There is the Ministry of Sport and Youth Affairs with their district youth services, the National Awards Programme, the Entrepreneurship Programme, and many other sporting programmes which impact upon the youths.

There are the Ministry of Health with the Nursing Training Programme; the Ministry of Agriculture, Land and Marine Resources with its Youth Agriculture Credit Training Programme; the Ministry of Planning and Development, which has a role with NIHERST which has short-term programmes; also, the Ministry of Community Development, which has Adult Education Programmes; the Geriatric/Adolescence Programme which was spoken about earlier on; training in the construction sector through the Ministry of Housing and Resettlement; through the Ministry of National Security, there is the Civilian Conservation Corps as a means of building attitudinal development.

There are many other groups which operate through the Ministry of National Security such as the Police Youth Clubs, the Cadet Force, the Scout Movement, which all receive financing.

In the Ministry of Education, there is the National Training Board, which forms the largest block that impacts upon our young population; the National Apprenticeship Programme which caters for many areas in terms of road-building, higher technology, technical areas in terms of direct on-the-job training. YTEPP, Servol, continuation classes, National Apprenticeship Centre Technical Institute are some of the many skills development programmes.

One might ask: With all these programmes, what are the results? I think this is our concern—what the results are and where they are taking place. I am sure one would hear many negative comments, but there are many people with positive ideas coming out of these programmes. How we would take them and fit them into employment practices is another matter.

6.45 p.m.

The task at hand is really a serious one. It involves a role with the private sector, which is so important today and which our Government is seeking to promote. It involves a role, clearly, for each and every one of us to try to understand the problems and the situations which exist, and what this Government is being faced with. It is a situation which we have to analyze and deeply understand and approach carefully.

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The reason I went through this detailed listing is that an understanding would be had of the programmes which exist, and really and truly, so that we could also make a proper contribution when we speak about youth. I heard certain comments this morning about young people involved in KFC and what they are receiving. These things really do not matter in these times. What is important is getting young people involved in employable practices, even if it is a learning process and a transition towards a more improved culture.

I want to state something which is very important. We are all mothers and fathers, and clearly our Government made a commitment towards training a certain number of young people on the basis that they receive a stipend.

Clearly, it was not a wage, and to come into Parliament and make an open statement that they are receiving \$20 per day—the fact is, it is a stipend, and once you give the notion that it is a wage; once you transmit that value as a leader, you begin to generate many negative thoughts in young people who would begin to believe that they are not in training; that they are workers. But that is not the role. I am just rebutting a statement which was made and it is a very important one, because it is one that is being advocated at all levels of the community.

I think the greater role and the greatest challenge is in the area of entrepreneurial development. It is something which I believe we all have to focus on more clearly and try to advocate, as strongly as possible, to our young people. As a past national youth award holder in small business, I wish to add that increasingly a number of young persons are getting enthusiastically involved in small business, which is a challenge. It is about changing cultures, behaviours, and it will take time to develop.

Our initiatives in small business this year have opened up numerous opportunities for consultation and, at least, an understanding of the present situation. It is one which will take time to develop. In changing any sort of culture, it will take time, because you are speaking about an education system which does not have that role in place. So it means a total reform; a new adjustment and a changing trend. How do we reverse this negative perception of self-employment? I can tell you we do not by coming here and advocating that profit is a sin; that every businessman is a criminal or a drug dealer.

I believe at this level we must promote active participation in small business and entrepreneurial development. At the end of the day, even where they would not be involved in business, it means promoting that culture which would definitely give rise to more productive avenues in every sector.

Clearly, one of the missing links between ideas and reality in small business is financing. How do we approach financing? I think I have identified, firstly, the areas of FUNDAID, the role of the SBDC and the linkages with the banking sector, and I am sure next year more positive results will come about through my strong lobbying and support from my fellow Senators, for young people, and financing for small business.

All these programmes that I have identified and all the comments that I have made, involve a great set of synergies, not only with Government ministries, but with a Parliament which is willing to cooperate, forge a positive idea, a positive ground and a ground of development.

In closing, I urge all Senators to take the opportunity next year to, at least, visit some of our secondary schools and share that positive spirit—at least one secondary school—because I believe there is a great amount of experience. I have learnt from Sen. W. Mark, from Sen. Surendranath Capildeo, from Sen. Mansoor, and I extend that invitation to us all to transmit that learning process.

I thank you, Mr. President.

Sen. John Rooks: Mr. President, the Government must be congratulated on the fiscal results of 1994 and the short-term help to the poor and disadvantaged through the safety net. It is sad to see that the Government intends to spend less in the future on the social safety net. I am not certain as to how the funds from the safety net are administered, but none of this is available to the underprivileged children, 300 of whom are born each year with congenital heart disease. Thirty to 40 of these children will die needlessly if they are not able to get medical help, which is very expensive.

Formerly, the Medical Aid Committee used to donate \$10,000 per child through Community Chest for these operations. About 40 of these children are sent abroad each year at a cost of approximately TT \$40,000 each. The Medical Aid Committee's total donation at present will probably pay for one child per year and the balance will come from covenants and donations by the public.

It is quite a surprise to me to see the list of donations that are made by the Ministry of Health. Sen. Carol Mahadeo read out some of them. The list is: Christ Child Convalescent Home—I will not give you the amounts, that is too long—Chelsea Home, San Fernando Rehabilitation Centre, Trinidad and Tobago Cancer Society, Trinidad and Tobago Leprosy, Trinidad and Tobago National Council, Friends of the Blood Bank.

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Also listed are John Hayes Memorial Kidney Foundation, Informative Breast Feeding Service, Catholic Marriage Advisory Council, New Life Ministries, Living Water Community, Lupus Society of Trinidad and non-profit institutions, giving a total set-up for this year of \$2 million, not one penny of which is listed as coming to Community Chest, although we have written several times and asked for assistance.

The Minister has identified that the infrastructure requires urgent upgrading and singles out water as being the most urgent. It is strange to say that water problems are increased in the rainy season because the turbidity of the water makes it impossible to use for laundering, cooking or other consumption, and millions of gallons have to be discharged down the drains before the water in the line is fit for use.

Since the equipment for breaking down the turbidity is not functional, aluminium sulphate is added to the water in higher concentrations than is recommended by the medical profession, as it is known to cause Alzheimer's disease.

The Minister advises that in 1995 in the area of health the emphasis will shift from secondary to primary health care. To me, this sounds like a retrograde step, such as giving up an automatic gearbox and going back to the old manual gearbox in your car.

6.55 p.m.

We have spent \$3 billion building the Eric Williams Medical Sciences Complex at Mount Hope and equipping it with state-of-the art equipment. We are switching back to primary medicine at the same time when our local doctors are learning tertiary medicine such as open heart surgery and organ transplants.

Mr. President how can we create a global city whilst returning to the Stone Age?

The business levy, instead of being removed, has been increased by 100 per cent. We are now coming out of a 12-year recession fighting to stay in business in spite of the high interest rates of the banking sector. The Minister stated that the levy is expected to yield \$92 million in 1995, and this certainly will not help an ailing company to get back on its feet. Taxation is supposed to be on profits, and not intended to be penalties.

These companies have paid taxes over the years, but now that times have changed and they need help, the business levy is imposed on them which makes it even more difficult to get back into a profit mode. I call again for the removal of

the business levy which is contrary to the policy of simplicity and transparency espoused by the Government.

The Minister has announced that the threshold for VAT is to be reduced to \$100,000 from January 01, 1995 and this measure is expected to yield \$5 million. It is my opinion that the increase will not be achieved. What will happen is that the practice of selling for cash, rather than against a tax invoice, will escalate.

The tax of 6 per cent on insurance premiums is supposed to be paid by the insurance companies, but, undoubtedly, it will be passed on to the business companies and will impact on all sectors of the population.

The corporation tax will be reduced to 38 per cent in order to foster and sustain the growth process, whilst the companies that really need the help, those that have suffered losses, have a 100 per cent increase in the business levy.

This does not mean that I am against the reduction in corporation tax, but I am once more pointing out the inequity of the levy, and how it is contrary to Government's stated policy. The Minister has announced a most welcome measure to reduce the withholding tax. This will bring Trinidad and Tobago back into line with other tax jurisdictions, and it is to be applauded.

There are several foreign companies which are now resident in Trinidad and Tobago, working in the petroleum sector. Each of these companies has brought in varying numbers of their nationals. It is not unlikely that these individuals may invest in local companies listed on the Stock Exchange now that we have freedom of transfer of foreign currencies and reduction of withholding tax.

This Senate has recently approved the sale of 49 per cent of the generation at Trinidad and Tobago Electricity Commission in spite of the concern expressed by Members of the Senate that insufficient information was provided in order that a proper evaluation could be made of this business decision.

Now, we read in the press that a similar deal is being planned with the Acker Group and our national airline, BWIA. The only information being bandied about is not good. It is said that this group was involved with the collapse of several well-known airlines such as Pan American, Braniff, United Airlines, Air Florida and American Airlines. It has been suggested that their sole interest is in tourism and Trinidad and Tobago is not considered as a tourist haven. Are we to accept this sale without the necessary information to make our own decisions? If there is no truth in what I have said, I expect the Government would advise the Parliament accordingly.

Thank you, Mr. President.

The Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources (Mr. Stanford Callender): Mr. President, I want to begin my contribution by first congratulating the Minister of Finance on a well-prepared budget, and by extension, the staff of the Ministry of Finance.

The Minister has labelled the budget a “good news” budget and I understand that “good news” for us and the population by extension means “bad news” for my friends on the front benches opposite. Their view was that this Government would not have been able to manage this economy, but I can assure them and the population at large that we have handled the task very well indeed. The Minister of Finance stood in the other place two Fridays ago and presented a budget that is widely acceptable to the population.

I was told that the worst diarrhoea one could ever have is political diarrhoea and I can understand the predicament of my friends on the front bench. I want to re-emphasize a few points made by the Minister of Finance.

It is a fact that inflation is moderate and falling; it is a fact that by the end of the third quarter in 1994, we had a growth in the economy of 4 per cent; it is a fact that unemployment is on the decline, and as the Minister of Finance said, the old ways of doing things are no more. It is time for a new political and economic order, and the PNM is here to accept that challenge.

The policies of the late 1960s, 1970s and early 1980s can no longer apply to a changing world in all its forms and fashions. To enable us to compete, and I quote the Minister of Finance, “with the rest of the world and the best of the world” it takes only a PNM Government to do that.

My friend Sen. Wade Mark, as usual, like doubting Thomas, had a problem coming to terms with the facts and the figures in the budget. He accused the Government of removing the crumbs from the table of the poor people of this country. But, later in his contribution he admitted that some crumbs were placed on the table of the poor people. He mentioned the removal of subsidies. I was not too sure what type of subsidies he was talking about.

Interestingly, though, my friend Sen. Wade Mark went on to quote from the great Sir Arthur Lewis of 40 years ago and I am not surprised because, I am always convinced that Sen. Wade Mark lives in the past.

7.05 p.m.

Sen. Wade Mark is one who professes to be closely associated with the labour movement, and is always an advocate of the ILO. I was present with him at the

Holiday Inn recently, on an invitation from the Ministry of Labour and Co-operatives promoting “Social Dialogue in a Global Economy”, a lecture that was done by the Director-General of the ILO, Mr. Michel Hansenne. I should have thought that the good Senator, as a man who is involved in championing the cause of the labour movement, instead of referring to the world as it stood 40 years ago, would have attempted to be a little more up to date.

I want to quote from a speech of the Director-General of the ILO, bearing in mind that he is a man who is in the field of labour—the organization to which Sen. Wade Mark is so closely attached.

“The world has changed profoundly in recent years and it will continue to change even more in years ahead. Driven as it is by rapid technological progress and confronted with accelerating economic globalization, while these changes promise greater efficiency, higher growth and employment creation possibilities and ultimately enhanced social welfare, these benefits will not be realized automatically.”

And I agree. For these benefits to be achieved you need a government that is stable, forward-thinking and progressive.

Hon. Senator: PNM Government.

Sen S. Callender: I quote one other paragraph:

“The Caribbean, as other regions, has no other choice but to re-think its performance and place in the new world economy, hence it is striving even harder to attract investment, improve productivity, open its markets and boost exports. All these adjustments require greater effort and responsibility from the different actors in order to create a favourable economic environment and political stability.”

We have been providing the political stability, and I want to encourage my friend Sen. Wade Mark to bring the other actors to play their parts as we go forward in this country.

Sen. W. Mark: Are you advocating a government of national unity? Would you like the UNC to join you?

Sen. S. Callender: Mr. President, I want to spend some time dealing with some aspects of the Ministry of Agriculture, Land and Marine Resources, to which I am attached. I begin my contribution by attempting to give some assurance to my friend Sen. Dr. St. Cyr, that we, too, in the ministry and in the

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Government recognize that agriculture is the basis of all development. We also recognize that agriculture is key to the success of economic development, and we are mindful that we need to raise the productivity level in agriculture. That is why we have to change the way we do things. Unfortunately, in the days of plenty we spent plenty—maybe in the wrong direction.

Between 1977 and 1989, this country spent more than \$1.3 billion on food subsidies.

Hon. Senator: Why did the Government take it away?

Sen. S. Callender: That is only one aspect of the subsidies. Maybe at that time it was the thing to do—maybe, I do not know. But we can no longer continue on that road; the granting of food subsidies came to an end in 1989. So with a shrinking economy we have to redirect our focus, and that is why the Ministry of Agriculture, Land and Marine Resources is paying particular attention to the reorganization and restructuring of the ministry—to provide a more focused approach to the delivery of services to the sector. We are placing greater emphasis on research and extension services, and on the physical infrastructure as an incentive to the farmers to produce.

Given the importance of agriculture, a standing committee on agriculture was established this year, and is being chaired by the Prime Minister and also includes the Ministers of Agriculture, Land and Marine Resources; Finance and Tourism; Planning and Development; Works and Local Government; a number of persons representing the University of the West Indies; and the private and public sector. We are dealing with some major issues that affect the sector, seeking to bring them in line with the changes that are taking place around us.

Some of the areas we are seriously addressing on that committee are the Green Paper, the Draft National Policy for Food and Agriculture for Trinidad and Tobago; Land Management Authority; Tanteak; Agricultural Incentives; A Study of the Fisheries Sub-sector; the Cocoa and Coffee Industry Board—their strategic plan for 1993-1996; Agricultural Marketing and Agro-Processing—a whole package of legislative programmes for the Ministry of Agriculture, Land and Marine Resources which include the Conservation of Wild Life Act; Forest Act, Fisheries Act; Animal Disease and Importation; Agricultural Smallholdings; the Agricultural Development Bank; the Fisheries Industry Assistance Act and a host of others—because we are mindful that most of these pieces of legislation are somewhat outdated.

There is also a proposal before the committee dealing with tariff regime for agricultural commodities, land administration and distribution, squatting on agricultural lands and the whole vexing question of praedial larceny, because we see all those issues as very important if we are to take this country into facing the challenges that this sector is going to face, undoubtedly.

In the Ministry of Agriculture, Land and Marine Resources we are also doing some restructuring. I spoke about the physical infrastructural development and I want to make reference to the Access Roads Development Programme which is in progress. Phase 1 of this project involves the construction of 25 kilometres of road over a one-year period and the repair of at least 12 bridges, all leading to agricultural establishments. The first phase is expected to be completed by the end of the year. Phase 2 involves 60 kilometres of road and is to commence in February 1995.

We hope to deal with Phase 3, which involves the construction of 60 kilometres of road and nine bridges, to commence in December 1995. It is also interesting to note that some spokespersons for the sector want to give the impression that the sector is dying. That is furthest from the truth. Of course, we admit that there are problems, but I want to draw your attention to some of the exports of non-traditional commodities to give an indication that there is significant growth in some of these sectors.

7.15 p.m.

For instance, let us take hot peppers. In 1991, we exported 3,407 kilos; in money value it amounted \$17,942. In 1993, that was increased to 594,586 kilos with a money value of \$3.3 million. Other increases were:

<i>Item</i>	1991 (Kilos)	1993 (Kilos)
Pumpkin	721,429	1,400,000
Melons	12,943	501,805
Shrimp	284,106	399,440
Fish	573,477	2,946,950

This is a clear indication that there is increased productivity in some of this produce. However, while that has been happening, we have seen a decrease in rice. There are a number of reasons for that. One is the decision by the ministry to take charge of that illegal practice in the Nariva Swamp. The second one was

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Hurricane Bret some time towards, I think, the end of 1992. There was some devastation of the rice plantations.

However, it has been said in some quarters that the Government is divesting the National Flour Mills and that that is going to pose a severe hardship on the rice farmers in this country. I want to give the assurance to the Senate and to the nation by extension that that is furthest from the truth. A decision has already been taken that we are going to cap the subsidy on rice, to the tune of \$17 million as it stood in 1993-1994, but interestingly, the Treasury is the one that would be providing this subsidy to the rice farmers.

However, a decision had been taken over a year ago to institute a grading system. We hope that by doing that rice farmers would try to improve their efficiency in operations. The ministry is going to take all the necessary steps. Already the process is in place to assist the farmers with a higher grade of seeds. The Government has also spent a large sum of money in the Oropouche area with the flooding problems.

Sen. Prof. Spence: Would the Parliamentary Secretary give us the changes in production of milk, pork, beef and coconuts?

Sen. S. Callender: As I go, I will seek to provide the information for the Senator. I just want to tell him that I am going to deal with only a few aspects of the ministry. Tomorrow, the Minister of Agriculture will be in the Senate. He will deal with the wider aspect of the ministry. If during my time on the floor I am not able to give the Senator the necessary information he requires, I would make sure that the information is made available to him.

We are also doing some administrative changes in the ministry to be more meaningful to the farming community which we are serving. Recently we have put in place a land administration and distribution department in the ministry. Recently, we brought a legal adviser on board the ministry, because, as you know, land and land administration is a serious problem. The Department of the Director of Lands and Surveys has been returned to the Ministry of Agriculture, Land and Marine Resources. It is intended to transform that department into a land management authority. These are some of the problems that we seek to address in the ministry so as to make it more service-oriented.

I have attempted to give some indication that agriculture is at the forefront of our thinking, and it will continue to play a major role in this Government's thrust for economic development. I just want to give that assurance. I think it was Sen. Hosein who mentioned the problems that were being experienced by the

Aranguez farmers. That has some history behind it. I would have thought that Sen. Hosein would have understood that the Aranguez land is private land and that the ministry can only intervene in trying to bring both parties together to arrive at an amicable solution to the problem.

In addition, the Minister wrote early in his term of office, when the Aranguez issue came up, seeking to get an assurance that the land in Aranguez would not be used for any purpose other than agriculture. We will continue to monitor the situation as it develops in Aranguez. If I have a little more time, I would try to provide the necessary information for Sen. Prof. Spence, otherwise I would ask the Minister to do that tomorrow.

7.25 p.m.

I am sure that you will agree that being a Senator coming from Tobago, I would want to spend some time talking about Tobago as it relates to Trinidad and Tobago in this context. I would like to begin this aspect of my contribution by aligning myself with the comments made by the Chairman of the Tobago House of Assembly, as a preliminary preview of the budget. I am quoting from the *Trinidad Guardian* of Thursday, December 01, 1994. It says:

“Tobago House of Assembly Chairman Lennox Denoon has expressed satisfaction that the Assembly has been allocated \$19 million more than it was last year in the 1995 budget ...”

Most interestingly was the development programme which moved from \$26 million in 1994 to \$45 million in 1995.

I can only summarize that statement and the fact that the Government sought to pump more money into the development of Tobago as saying that this administration has always been and continues to be committed to the development of Tobago, within the unitary state of Trinidad and Tobago. It also says that with \$19 million more in development, it gives the opportunity for the creation of some more jobs, temporary or otherwise. Most important is the emphasis placed by this Government on the development of tourism of which Tobago will be a focal point.

I quote from page 20 of the budget statement of the Minister of Finance, which says:

“For the first time in many years, Government will provide enough money in support of destination promotion, thus removing any further doubts as to our commitment to the tourism sector.”

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Part of the increase in allocation towards development is to deal specifically with some of the basic infrastructure development in Tobago, including improvement in the water supply and distribution. I believe over \$15 million has been provided for that. The sum of \$1 million has also been provided to complete the feasibility study for the improvement of the Richmond Water Project. Also, great emphasis is being placed on the environment and the protection of the coastline.

Government's commitment to the sector has encouraged some hoteliers in Tobago to expand. *[Interruption]* You know that when I mention the extension of Grafton Beach Resort, I must also mention the proposed extension of Turtle Beach; the refurbishment and extension of the then Crown Reef, now Coco Reef; and the proposed development of Angostura Holdings Development, Lowlands, Tobago. These are demonstrations of the type of confidence that we have in the sector.

Sen. Prof. Spence: There are reports, Mr. President, that the Angostura Development will destroy what little wetlands there are left in Tobago, where there are some wildlife sanctuaries and so forth. Can the Senator assure us that this is not the case?

Sen. S. Callender: Unfortunately, I do not have that information. The same thing Sen. Spence is saying was said in Tobago about the deep-water harbour—its development in Scarborough will destroy lower Scarborough. There seems to be some evidence of that now, I do not know.

Sen. W. Mark: Investigate that for us. We are very serious about that.

Sen. Prof. Spence: It is either yes or no because the plans, according to David Rooks, are that they will build houses on the wetlands. If this is not the case, or if the Government will not allow it, then clearly the Senator should say so.

Sen. S. Callender: Mr. President, as I said, I do not have that information. *[Interruption]*

When I was much younger and learning to play card games, one of my first tasks was to take out the two jokers in the pack, but it would appear that they are making packs today with all jokers—a whole pack of jokers. *[Laughter]*

Our focus on the tourism sector will serve as a catalyst to renewed interest and vigour in the agricultural sector. We hope that the Tobago House of Assembly will play a leading role in this. The anticipated increase in hotel rooms, therefore, means employment creation for almost every sector in Tobago, not the least of

which is the cultural aspect of the people of Tobago, as we seek to provide entertainment for the visitors.

Again, this is tied in with the Government's focus on event tourism, and we have already committed ourselves to include the Tobago Heritage Festival. We have witnessed over recent years, the re-entry of some villages in Tobago—which were misguided in the past—to the Prime Minister's Best Village Trophy Competition. The culture of the Tobagonian is unique and there has been ample testimony to that in the recent competition. I am a product of the Prime Minister's Best Village Trophy Competition and that is why I can stand and deal freely with the pack of jokers who fill the front benches opposite.

The point I am making is that there is some hope as we link tourism, the culture of the people of Tobago and agriculture. My colleague the Minister of Community Development and Women's Affairs wants me to say to the Senate that Miss Pembroke won the title of queen in the Prime Minister's Best Village Trophy Competition; Roxborough won the concert.

I have no doubt that we have laid the foundation in this country to take us forward as a people. I understand at times some of the problems being experienced by some of my colleagues on the other side. In the local political system, we look for shadows. We have a Minister of Finance, so we expect a shadow Minister of Finance. When I looked and listened to my Minister of Finance, I could not see a shadow. When I listened to our Minister of Education I started to wonder who the shadow was. I have to make the analogy because continuously these packs of jokers refer to themselves as the alternative Government. I could give my friends the assurance that they will forever be alternative.

7.35 p.m.

Sen. W. Mark: Could the hon. Senator indicate to the Senate whether he foresees any dangers to the tourism thrust in Tobago in the context of the imminent disposal of the carrier, owned by the people of Trinidad and Tobago for the last 54 years, to the Acker Group? From his perspective, how does this proposal affect the whole tourism drive in Trinidad and Tobago? Could the Senator give his views on that?

Sen. S. Callender: Mr. President, as my good friend said, we had a carrier for 54 years, but we do not have a tourism industry. What makes the Senator believe that having an airline is a prerequisite to tourism? We have had it for 54 years and we do not have an industry. *[Interruption]*

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A large number of the tourists who go to Tobago do so by charter arrangements, and there is an increase in the number of charters. Maybe this is a good stage to make the point: Let me say that as a Tobagonian, if divesting BWIA would provide the Government with the wherewithal to do other things in Tobago, I say divest it in the morning, and provide the necessary resources for me to improve the health facilities in Tobago; improve secondary school places; construct without delay the tech/voc wing at the Signal Hill Senior Comprehensive School; and improve the water distribution system in Tobago. If divesting BWIA would create that and put a halt on Government's continued subsidy to an airline that continuously loses money, I say let us find more productive means of spending the money. I say divest it in the morning because we had it and it did not improve tourism development in the country.

I can remember last year the issue came up with Air Caribbean—the issue that caused people to block the road—and it was mooted that it was chaos and confusion. Air Caribbean is what I travel by bi-weekly; on time, prompt delivery; it is more efficient than BWIA. It was the Tobagonians who clamoured for a more dedicated domestic air service, and required of the Government then to do something about BWIA.

So when Sen. Hosein asks what is the deal with Sun-Island Cruise, I say to him: The deal is simply to afford Tobagonians and Trinidadians another means of travel between the islands. The Government committed itself in the initial stage to meeting the difference of the actual fare of \$70.00 one-way—have the passenger pay \$50.00 and the State pay \$20.00. It is an interim measure to allow Tobagonians and Trinidadians to maximize the use of the sea transport.

In one breath these people talk about the removal of subsidy—*[Interruption]* and one would get the impression that they are anti-subsidy. However, I think to date Tobagonians are somewhat comfortable and satisfied with the air transport arrangement between Trinidad and Tobago and I think a similar thing could be said for the sea transport.

Unfortunately, let me say for the record that, as Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources, I represent the people of Trinidad and Tobago. My responsibilities go beyond simply representing the people of Tobago. As a Tobagonian, of course, my interests—and Tobago is always close to my heart—*[Interruption]* I do not have a problem with it too.

My friend Sen. Muntaz Hosein made reference to a book *A Case Against Free Trade*, and I got the impression that he was somewhat very uncomfortable with GATT and NAFTA.

Sen. W. Mark: That is the wrong impression.

Sen. S. Callender: That is the impression I got. I have the wrong impression but in his contribution he confused himself, and by extension he confused me. *[Interruption]*

Sen. Draper: Because he was using other people's words to convince this Senate; he should use his own words.

Sen. S. Callender: I got the distinct impression when I listened to him that he had a problem with the direction in which we were going as a country. If that is the impression, there has to be a serious problem with the policy of the United National Congress.

I had this clipping some time ago, *Trinidad Guardian* Wednesday, April 20, 1994, it says:

“Panday sees good in NAFTA for T&T.”

Sen. Hosein: Nobody attacked NAFTA.

Sen. S. Callender: That is why he had me totally confused. It is a clear indication that the Senator must read less of other people's material and focus on what his party, as the alternative to this Government, has in mind for the people; not read from American writers. This is Trinidad and Tobago and we have said, in no uncertain terms, that we are destined to take this country somewhere, make it the global financial city of the Caribbean, while at the same time come to terms with the global changes in the world.

7.45 p.m.

One of the things affecting the Opposition is the way in which, as a Government, we take decisions and we do not play around with people's lives—we take decisions in the interest, not of any little sector of the community, but of the entire population. Unfortunately, sectors in the community would always have a point of view and they would always want to see things go their way. As a Government we have to see the whole picture and then we make decisions as they affect the whole country. We cannot sit down and make decisions in the interest of a minority. *[Interruption]*

Before I end my contribution I would like to congratulate the Minister of Finance on a “good news” budget, and to wish you, Mr. President and your family, my friends on the Front Benches, and my Independent colleagues a very Merry Christmas and a bright, productive and prosperous 1995. And to give you the assurance that you should have no fear, the PNM is here. *[Laughter]*

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Motion made, That the Senate do now adjourn to Wednesday, December 07, 1994 at 1.30 p.m. [Sen. The Hon. R. Huggins]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.46 p.m.