

*Late Arrival**Wednesday, December 07, 1994***SENATE***Wednesday, December 07, 1994*

The Senate met at 1.30 p.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LATE ARRIVAL**

Mr. President: Hon. Senators, Sen. Surendranath Capildeo and Sen. The Hon. Gordon Draper have indicated that they will be a little late for today's sitting.

**APPROPRIATION BILL
(BUDGET)**

[Second Day]

Order read for resuming adjourned debate on question [December 06, 1994]:

That the Bill be now read a second time.

Question again proposed.

Sen. Ainsley Mark: Mr. President, I am very pleased to join the debate on the 1995 Budget. As far as we on this side are concerned, the Budget is really a statement of the success of this administration, of which we are all honoured and privileged to be a part. We have simply got it right, and all signs are there in the economy as evidence of that. We are not out of the woods; we are a long way from that, but the signs are very clear.

In terms of the contributions which I heard yesterday, there have been some critical criticisms of the Budget, but most of the issues raised are issues of which the Minister is well aware. We must understand that a national budget is simply one chapter in an entire volume of the Government's economic policy, so that everything cannot be achieved in one year. I shall deal with this a little later in my contribution.

This is the fourth contribution I have heard Sen. Wade Mark make to the Budget debate and, quite frankly, it was absolutely his worst. It was a statement of a desperate man. His contribution was divisive and served to denigrate significant sectors of our community, and, most of all, what we had to treat with for almost an hour was a relentless, almost obscene, denigration of the people who create income, wealth and jobs.

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This leads me to treat with his comments on the liquidation of National Fisheries Company Limited. He described the process as being undemocratic, secretive and corrupt. He spoke about the transaction as being smelly and suspicious, and, at all times took great pains to keep pointing out that the firm involved was Mark Castillo Toney & Company.

May I say at the outset that I found his comments malicious and demonic, and had they been made outside this Chamber, they would have been dealt with differently. True to form, he abused his parliamentary privilege to malign and denigrate a professional who has no opportunity to respond here.

Sen. W. Mark: I will deal with Mark Castillo and Toney outside.

Sen. A. Mark: This is a characteristic of weak supine individuals who have built nothing in their lives and whose only concern is to pull down, to destroy, to mash up. Since Sen. Wade Mark spent so much time dealing with the firm of Mark, Castillo and Toney and the divestment of National Fisheries Company Limited, I want to spend some time on this. Let me deal, first of all, with the firm because it was said in another place that this is a firm, that was established in 1992 when the PNM came into office, and it started to get much work.

Sen. W. Mark: Expanded in 1992.

Sen. A. Mark: Mr. President, the firm of Mark, Castillo and Toney was established in July 1978. It has been in existence in excess of 16 years. The three partners of this firm: I am the Mark, Ainsley Mark, Bachelor of Commerce, honours degree, University of Toronto in 1968; became a member of the Institute of Chartered Accountants of Ontario in 1971. So, for 23 years I have been a practising professional. My second partner, Anselm Castillo, BSc Engineering, Industrial Engineering, University of Toronto in 1973, admitted at the Institute of Chartered Accountants of Ontario in 1976—18 years. Michael Toney, Bachelor of Commerce, honours; University of Ottawa in 1972; admitted to the Institute of Chartered Accountants of Ontario in 1974—20 years in practice.

Mr. President, this is a firm which was started from scratch—no bloc of accounts, no father, no inheritance. As a firm, we provide all the services that firms provide—accounting, auditing, taxation, receivership and liquidation.

Sen. W. Mark: Conflict of interests.

Sen. A. Mark: In 1991, we formed an associate firm, MCT and Associates Limited—Business, Economic and Financial Consultants. Again, the principals in that firm all have graduate degrees. On our own, and most times in association with both local and foreign associates, we go after any work that is available.

I just want to make the point that regardless of what a person who has contributed to building nothing in his life—

Hon. Senator: Not even the UNC.

Sen. W. Mark: That is not true.

1.40 p.m.

Sen. A. Mark: The bottom line is that at present these two firms employ at least 30 persons—each month we have to find salaries for 30 persons.

Sen. Barrack: Explain how you got the deal.

Sen. A. Mark: So that, when we have people—I should not use the word “people” because the statements were, in fact, demonic. There are figures that have two hands and two legs and a head and eyes, and one assumes they are human. I am suggesting, that what we were dealing with yesterday was, in fact—

Sen. Barrack: Inhuman?

Sen. A. Mark: Frenzied.

Sen. W. Mark: You cannot deal with it!

Sen. Barrack: If you cannot deal with it, say so.

Sen. A. Mark: Mr. President, let me now deal with the liquidation of National Fisheries Company Ltd. [*Interruption*]

Sen. Daly: Mr. President, on a point of order; I seek your guidance. I know ultimately, Sir, it is a matter for you, but in relation to Standing Order 39—the maintenance of silence by Senators when other Senators are speaking—I do not recall, when the speech to which Sen. Ainsley Mark is referring, was being made that anybody interrupted anybody or shouted down anybody. I know it is a matter for you, Sir, but, I seek your guidance whether we have crossed the line.

Mr. President: It is in order for all Senators to raise points of order at any time, whether they are irrelevance or otherwise, and the Chair will rule. But on this particular occasion, I think your timing could not have been better—as though there was some telepathy between us. The Chair was engaged, discussing the order of speakers with the Clerk when I realized that the barracking went on a little longer than necessary.

I have often reminded Senators that there is a Standing Order which says, very clearly, that those persons not speaking must maintain silence, just as the people

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in the public gallery. I allow a certain amount of liberty. If a little “picong” comes in between, both sides are happy, it is quite all right, but when it is a difference of opinion the Standing Orders must be adhered to and the silence must be maintained.

During Sen. Wade Mark's contribution I do not think there was any interruption—points of order, point of explanation, or otherwise. So that, whereas I allow a little wit, a little “picong” in between, constant heckling, trying to drag down the speaker or drown out his voice is not going to be tolerated by this Chair at any time. That is for the platform. Here we are in the Senate. We have rules—we will operate by them. You are big men and big ladies and I expect you all to behave accordingly. Continue Sen. Ainsley Mark.

Sen. A. Mark: Thank you very much, Mr. President.

On February 04, 1994, Mr. Michael Toney was appointed liquidator of National Fisheries Company Limited with a mandate to sell the company's assets in a judicious and expeditious manner. Since the lands on which the facility is situated belong to the Port Authority of Trinidad and Tobago, there was, together with the sale of assets a simultaneous effort to lease the lands. It was recognized that if the facility was sold to a private owner, there would be a problem with respect to local fishermen and their having a facility for berthing their vessels. After some study, it was decided that a portion of lands occupied by the company would be excised for the purpose of facilitating the local fishermen. This berthing facility will be operated by Trinidad and Tobago National Petroleum Marketing Company Limited.

The public at large was informed of the impending sale of the assets and the lease of lands. Advertisements were made in two of the daily newspapers over a period of approximately two months. The advertisement required interested parties to obtain an information memorandum from the company. The information memorandum contained all the relevant information on the assets being sold, the lands being leased, and the method of making a bid. The closing date was set at April 15, 1994.

In addition to the public advertisements, notice of the sale was sent to the Ministry of Foreign Affairs for circulation to our offices throughout the world where we are represented. In this regard our Embassy in Brussels did some intensive marketing of the facility. Communication was also sent to all parties who had at some time in the past indicated interest in acquiring the facility. At their request copies of the information memoranda were made available to

representatives of MIGA, based in Washington, D.C. and Canadian Fisheries Consultants Limited, based in Halifax, Canada for the purpose of informing interested parties of the sale.

In all, 30 information memoranda were purchased from the company. At the request of some interested parties based in the United States of America, the deadline for closing of bids was postponed from April 15 to May 31, 1994. On May 31, on opening the tender box, there were three bids. An evaluation committee chaired by the Liquidator, analyzed the bids and it was decided to reject two of them in the light of the third which at the time looked promising.

And who comprised the evaluation committee, and what were the criteria? Because, you see, even though under the Companies Ordinance the liquidator is empowered to do what he wants, because he was dealing with State assets, he thought it necessary to involve the Ministry of Finance and the Divestment Secretariat.

The bid evaluation committee comprised Mr. Michael Toney, liquidator, as Chairman; Mr. Leroy Mayers, representative of the Ministry of Finance (Investments); Mr. William Daniel, representative of the Divestment Secretariat; Mr. Adrian Beharry, representative of the Port Authority of Trinidad and Tobago; and the committee was assisted by Mr. Larry Ramoutar of the Divestment Secretariat, with Mr. Claude Assing as Secretary. So we had an evaluation committee made up of the liquidator, and representatives of the Ministry of Finance, the Divestment Secretariat and the Port Authority.

What were the evaluation, criteria? The evaluation criteria, which are the same as described in the information memorandum, are the following:

- (1) Price
- (2) Ability to manage and finance the facility
- (3) Experience in/knowledge of the international fishing industry
- (4) Contribution to net export earnings
- (5) Employment generation
- (6) Ability and willingness to assist in the development of the local fishing industry

In order to emphasize the importance of some criteria over others, weights were assigned to each. Threshold values were set, In terms of the building and equipment, \$15 million; leasehold lands, \$10 per sq. ft. (capital value); 50 cents per sq. ft (annual rental).

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In terms of access to bid documents and confidentiality for this evaluation team, let me quote this:

"Each member of the Committee will be allowed access to the bid documents at the National Fisheries Company Limited offices for the purpose of assigning scores. Under no circumstances are the documents or copies thereof to leave the premises without the written consent of the Liquidator".

"Each member will assign his score for each sub-criterion on individual evaluation sheets.

Review and selection of preferred purchaser.

After each individual Committee member has completed his scoring, a full committee meeting will be convened when the scores will be reviewed and awarded by the Committee as a whole. The weights will then be assigned to the points awarded and the preferred purchaser identified."

That was the process. The criteria were very clear. The bids were evaluated individually and then they convened as a committee to come up with a preferred purchaser.

Two of those original three bids were rejected and there was a third. After further investigation, it was decided to reject the third bid because of the failure on the part of the bidder to provide reasonable assurance of being able to consummate the transaction as required by the terms of the information memorandum.

What happens in many of these transactions—and those of us who are involved in the financial area would understand this—is that there are people who go out and present themselves as if they have funds. So they put in a proposal, and then having won the bid, they then proceed with the bid in hand to try to raise the funds. That is when you have all kinds of problems like, "we did not talk about guarantees before and we are talking about guarantees now," and so on. The bottom line is that in this case the liquidator was clear that if you put in a bid, you have to demonstrate that you have the money to consummate the deal.

Let me go through some of the correspondence with that third bidder. There is a letter here from the liquidator dated June, 23 to the attorney which states:

"Dear Sir,

Re: Your proposal for the purchase of the assets of National Fisheries Company Limited and the lease of the lands thereon:

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A significant factor in assessing your proposal is the comfort that, if you are selected as the preferred investor, you will be in a position to satisfy your financial commitments.

We would be grateful if you would address this area directly and comprehensively by supplying by NOON ON WEDNESDAY JUNE 29, 1994, a definitive communication from your financiers to the Liquidator that funds are available to you in the amounts and within the time frame set out in your proposal."

That was the letter to the guy. They wrote back on the 30th asking for an extension from June 23 to July 6. The liquidator wrote back to them on July 1, saying:

"Please be advised that extension has been granted until noon on Wednesday 6th July, 1994. No further requests for extensions will be entertained."

Then he got a letter on a letterhead: Proctor & Proctor International Trading; the address: 55 Sleepy Valley, Richhill, Armagh, Northern Ireland. Let me read this letter:

"With reference to the above I hereby confirm our groups willingness to provide funding for the fishing industry in Trinidad and Tobago.

The amount of up to 15 million US Dollars is to be secured by the assets of National Fisheries Ltd. I trust an appraisal of these assets will be available shortly.

I will be in Trinidad during June and I would like to discuss the funding schedule with you so that all matters can be finalized.

Yours faithfully,

Philip J. Proctor."

Right away the liquidator knew that these people are making joke, because you put in a bid on some assets and you are saying two months after that, "I trust an appraisal of these assets will be available shortly." So the antenna went up a little higher.

There is a firm in the United States, Dunn and Bradstreet which does intelligence on firms operating throughout the world. Sen. Hosein will know that if he has to export something and some strange name comes up, he would not just ship out his goods; he would send to Dunn and Bradstreet to get a report on the firm. So the liquidator sent to Dunn and Bradstreet for a report on the firm,

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Proctor & Proctor International Trading, who were just saying that they would provide US \$15 million to this local group. It states:

"Name:	Proctor & Proctor International Trading
Address:	55 Sleepy Valley Richhill, Armagh Northern Ireland.
Legal structure & History:	Believed to have began operating in 1991 as a partnership. We have requested that further investigating be done to provide the exact date of registration.
Partners:	Phillip J. Proctor and Heather Proctor.
Activities:	Believed to be importers/exporters. An exact description of the activities of the business was not known.
Location:	The business operates out of the private residence of the Proctors.
Bankers:	Unknown. No banking references could be obtained.
Payments:	Nothing adverse recorded against the business or the partners in publicly available records. Caution is advised in dealings at this time.
History:	The company is believed to be a very small recently established import/export business. Sources contacted in the area were unaware of any trading activities of the company.

The partners are on an overseas trip and are not expected to return until early August. There is no in house staff to answer queries and messages are being recorded on an answering machine in their absence."

It was on that basis that the liquidator, in his judgment, said there was no way that this company could come up with the \$26 million that they had suggested and he wrote them accordingly.

Having decided that he would get out of that third bid, the process moved from public sale to sale by private treaty. Basically, he had information memoranda; he put them out; three bids were submitted; none of the bids were acceptable; so he moved to private treaty.

Again, the liquidator, exercising all caution, got an opinion from the lawyers he was working with on this assignment, Ashmead Ali & Company. Let me quote from this:

"Re: Sale of Assets of National Fisheries Company Limited (In Voluntary Liquidation) by Private Treaty.

In this regard we refer you to S. 236(1)(b) of the Companies Ordinance Chapter 31 No. 1 which provides that a Liquidator may without sanction, exercise any of the powers by the Ordinance given to a Liquidator in a winding up by the Court. Such powers include, under Section 182(2) the power to:-

‘Sell the real and personal property and things in action of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;’

So he moved then from public sale to private treaty. At that stage, there were two players. Let us call them Mr. “X” being the local player and a Taiwanese company.

Let me deal with Mr. “X” first of all. Mr. “X” is speaking in the name of a company which was established in December 1993. It was a two dollar company; one share for each of the two shareholder directors. So as far as the liquidator was concerned, that company had no record. To go even further, between its date of incorporation in December, 1993 and August 1994, to obtain a \$2 million loan from a financial institution in Port of Spain, it had to mortgage all its assets, therefore the company was not in a position to come up with the \$15 million that he was talking about.

2.00 p.m.

Let us go behind the company; let us go to the shareholder, Mr. “X”. The information that the liquidator had—and in these days of information technology and so forth, it is amazing how much information one can get on an individual; we have to be so careful—was that Mr. “X” was born in Trinidad on March 25, 1942—we got his birth date.

Mr. “X” lived in England for a considerable length of time before returning to Trinidad, via Barbados, around 1987. During his time away from Trinidad Mr.

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'X' was involved in the hotel industry for approximately 18 years—he was a hotelier. For some time thereafter, for about three years he was involved in the business of meat distribution in the United Kingdom. He returned to Trinidad and started a fish processing small operation, buying fish from the local fishermen, processing it and selling it.

What is even more important about Mr. "X" is that in the first quarter of 1994, on the basis of a High Court order for the non-payment of rent of \$74,500, he was evicted lock, stock and barrel from his business premises in the Omera Industrial Estate. I just want to put Senators in the head of the liquidator.

We are talking about somebody who has to pay \$15 million for the assets of National Fisheries. The company was set up in December, 1993; it had to take a \$2 million loan; all of its assets were mortgaged; there is a High Court order on the individual in question for unpaid rent of \$74,500 for which he was evicted; all his equipment and so forth were placed in the road of the Omera Industrial Estate. That is Mr. "X".

Let us deal with the other company; the Taiwanese company. Again, a Dunn and Bradstreet report was sought from which I would now quote:

"The subject of your inquiry is a well established privately held, family controlled firm engaged as a trading agent of fresh fish products and also fishing supplies and accessories. The company has been operating successfully for a number of years; has a clear record and favourable banking relations. The firm is considered reasonable for normal trade commitments and nothing derogatory was learnt of its operations."

In addition, to that Dunn and Bradstreet report, the firm is involved in fishing activities; it has under its control about 75 boats all over the world, especially in the South Atlantic; it has been doing business with the National Fisheries Limited for at least eight years, mainly transshipment. It has a long-term marketing arrangement with the Mitsubishi group of companies of Japan, through which all of its products are sold. Most importantly, from the liquidator's point of view, the company is willing to pay cash when an agreement is reached; the money to come from outside Trinidad and Tobago.

Right away, comparing Mr. "X" with this company, the liquidator, in his judgment, decided that he would proceed with his negotiations with the Taiwanese company. This being done, the evaluation committee was reconvened; the meetings where the discussions on the price went on comprised: Michael Toney, Adrian Beharry, William Daniel, Leroy Mayers, Ashmead Ali, Mr. Huang and Claude Assing.

Mr. President, I am certain that you would understand my statement that Sen. Wade Mark was being malicious and demonic when he spoke yesterday, because he knows very well that if he needed the information, how it could have been sought. Instead of asking for the information, he came to this Senate and denigrated professionals who are doing their work.

Let me direct one more comment to Sen. Wade Mark. We are living in a small community; the people whom he is trying to impress, whose dirty work he is doing are wealthy attorneys who will be able to send their children to England, and when they go through university and law school they would come back to work in their firms. His children, most likely, have to go to the University of the West Indies and may have to look for summer jobs in Mark, Castello and Toney. Notwithstanding his efforts, at denigrating and pulling down and destroying that firm with his wild and malicious statements, a partner—*[Interruption]* personnel if they are suitably qualified, I would consider them.

The question that one immediately asks and one which my partner asked me last night is: What would make someone—I do not think that Sen. Wade Mark knows Michael Toney—attack the professional integrity of someone who has been practising in excess of 20 years? What would make someone want to do this? I told him it was really a reflection of frustration and desperation—a reflection of the desperation of the Opposition. A desperation and frustration that manifests itself in the internecine battles.

One has already formed a party, MUP, to mop up the rest of the UNC. Another one has said that he cannot take another five years in the Opposition, so he had better make retirement plans because that is what he is heading for. In fact, both Sen. Wade Mark and Sen. Muntaz Hosein spoke about a UNC government. That is a nonsense. It is a contradiction to link UNC and government. Inconsistent and incongruous to even contemplate linking UNC with government.

The Minister of Finance in his winding-up in that other place commended the previous government, the NAR for initiating this whole process of trade reform and so forth. I want to commend the NAR for something else—for opening up the airwaves—more TV stations—so that everybody in this country can see what is happening in the world so that the UNC cannot fool anybody any more.

So, when there is flooding in Central, the UNC cannot say it is a bad PNM Government that is causing it, because people turned on their television sets and saw the Mississippi flooded for months in the USA. When there is loss of jobs, they cannot say it is a bad PNM Government that is causing it, because people

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turned on their television sets and saw that in all the industrial countries people are losing jobs.

Perhaps, most importantly, our locals see the conflicts in Bosnia, Rwanda and Kashmir, and the people in Trinidad and Tobago know that notwithstanding the efforts of people to come here and talk about blood will flow and so forth, we do not want that here. They cannot fool people any more and we have to thank the NAR for that; for opening up the airwaves. That is why the UNC will always be there; Opposition; that is if the MUP does not mop up all of them.

2.10 p.m.

All the economic signs indicate that we are on track. And this is what the Opposition cannot take but we have certain facts. In 1994 Trinidad and Tobago had exceeded its economic growth projections—four per cent growth, the highest since 1981. That is a fact. In the non-oil sector exporters sold 30 per cent more of our goods and services abroad. That is a fact. Inflation is down to just about eight per cent. That is a fact. The rate of unemployment is falling. That is a fact.

After making US \$579 million in debt service payments, we have been able to reduce our external debt to about US \$2 billion and our gross reserves will amount to \$301 million or 3.3 months of imports. That is a fact. And whatever the Opposition does or do not do, they cannot deny these facts. They can talk about the numbers this and the numbers that, but these are facts. This is their source of frustration, because these dreams or aspirations they had of sitting over here are evaporating.

They realize that they are being consigned to the La Basse of history. That is what this Opposition is being consigned to. In his Budget Speech on page five, the Minister states:

"The task before us, therefore, is to continue to lay the foundation for an improved economic environment which will attract increasing levels of resources, both domestic and foreign, consistent with our growth objective. This requires a deepening and widening of the domestic capital market; increasing the range of available financial instruments; broadening the base of investment opportunities; and the establishment of strong economic and financial fundamentals."

Our tax policy is one of the instruments that are being utilized to continue to lay the foundation for an improved economic environment. If one looks at three elements of the tax reform programme: reduction in tax rates, broadening the tax

base, reducing differential treatments of economic sectors and economic activities, one would see that the Budget is on track. The corporation tax rates have been reduced from 45 to 38 per cent leaving more retained earnings for re-investment. To individuals we have reduced the rates of those people with a chargeable income between \$16,000 and \$20,000; they are even better off.

Whichever example you use the taxes have gone down. We have broadened and deepened the tax base. VAT collections, we shall be capturing those by moving down from \$120,000 to \$100,000 a year. The business levy increased from 0.25 to 0.5 per cent of gross sales. Some commentators have been making much ado about this. But if you work the numbers, for every million dollars in sales, to be at a disadvantage, you have to make less than \$13,000 net income.

If you are running a business and you consistently cannot make 1.3 per cent of your sales as net income, then some very serious questions have to be asked about your operations.

By equalizing the top rates for individuals and corporations, the Minister of Finance has taken away one of the sources of our worth where those high worth individuals would incorporate themselves and in shifting around salaries and expenses attempt to minimize their total taxes paying 40 per cent as an individual and 45 per cent as a corporation. All of the tax measures are in train with the tax reform programme that has been put in place. The 15 per cent tax on dividend, the shareholders, in public companies, will be better off; the numbers are there again, and hopefully, this will energize the Stock Exchange.

Some of my colleagues suggested last week that some of my comments were a bit rough on Sen. Rev. Teelucksingh. I wish to point out that my comments were not directed at Sen. Rev. Teelucksingh, the man, the person, but at some of the issues that he raised in his contributions. If I did offend you, Sen. Rev. Teelucksingh, my most sincere apologies.

I am extremely passionate when it comes to job creation and insistent that we all understand how jobs are created. Sen. Dr. St. Cyr was totally correct. We can argue, we can quarrel from now to doomsday on issues of distribution—these are important—but income has to be created and generated before it can be distributed.

When I hear people dismissing in one sentence McDonald's because it is only encouraging young people to sell hamburgers and chips, I say they cannot be really serious. One McDonald's outlet has provided jobs for 125 young people. It is all well and good for us who are employed—some of us who have more than

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one job—to talk about selling chips and hamburgers, but it is important for those young people for two reasons. They are not going to make it their career.

These people are going to make a little money. They have their O'levels and their A'levels which will provide them the wherewithal to go through university, and perhaps, even more importantly, the discipline that is imposed on them by working in a place like McDonald's will redound to their benefit for the rest of their lives.

Sen. Prof. Spence: I wonder if the hon. Senator could tell me, as a non-economist, how the intervention of a fast-food outlet which will not mean that any more food is eaten, would mean that more jobs overall are created? It seems to me that those people ate somewhere before. What would happen if the places where they ate would have to lay off people? Could he explain to me how it is that you get more jobs created overall when in fact, you are not eating, you are not producing any more and you have no more wealth?

Sen. A. Mark: I have ten minutes more Sen. Prof. Spence. I do not want to deal with that. We can deal with that privately. We have to attract more domestic and more foreign investment. That is how jobs are going to be created, and that is how income is going to be generated. That is how it is going to be done.

When you hear me being emotional about the need to create this environment, we must understand that it is in the service sector that we are going to create the jobs for those tens of thousands of young people out there. The evidence suggests that the creation of one job in the petrochemical sector costs between US \$1 million and US \$1.5 million. There is no way that we are going to resolve it in that sector. The surpluses generated in that sector must assist us to develop other areas in the economy.

2.20 p.m.

This PNM Government has had the courage to bite the bullet, and in many instances because of the changes we have made, we have run the risk of alienating some of our supporters. When, as difficult as it is for us, we have to send people home from the Port, PTSC, WASA or wherever else they have been sent home, 75 per cent of them are probably PNM supporters. We had the courage as a Government to do these things as difficult as they are. What some people do not understand—they come here and talk about the budget being anti-worker and anti-people—is that when we meet these same people at our cottage meetings, we explain to them why certain things have been done.

That is why notwithstanding the present difficulties, they would continue to support the PNM. People are not foolish. They know that we are not crazy. We would not send home people for spite. There must be some deep abiding reason for this. When we explain it to them, they understand. We have the other things to put in place to ensure that the impact is not as serious as it otherwise might be.

Let me end as I began. The 1995 Budget is, in fact, a statement of the success of this administration. We have simply got it right and all the signs are there in the economy as evidence of that.

Thank you.

Sen. Martin Daly: Mr. President, I hope that the firm note of restraint that has been struck by my esteemed colleague—he is my colleague; we seem to forget that sometimes—Sen. Ainsley Mark, would be maintained for the rest of the day. I certainly would do my best to try to follow that note, because we sometimes seem to think that this little division where the palantypists sit causes us to cease to be colleagues.

I have certain specific criticisms about this Budget. However I do congratulate the Minister of Finance, because I shall be having some very hard things to say about the Minister of Trade and Industry in due course, who is also the Minister of Finance. I want to be sure where my congratulations lie today. I want to congratulate Minister Mottley on delivering a budget which within the framework of a modest deficit has sought to put more disposable income in the hands of individuals and corporations. I am pleased about that.

Subject to my criticisms, I also congratulate the Government because I do not believe it can be gainsaid that it has been successful in attracting foreign investment in the energy sector, using our natural gas resources as the lure or bait for that investment. Unfortunately, as I shall engage in some discussion of the Government's divestment policy, I would say that I wish wholeheartedly that congratulations were due in relation to divestments outside the energy sector.

I think we used to have kicks and kisses. I am afraid for every kiss that is due to the Minister of Finance for the success of divestment in the energy sector—I believe when one uses the collective noun to describe lions, one talks about “a pride of lions”. I would like to give some hint about what I might talk about, by saying that there would be a pride of kicks in relation to divestment policy outside the energy sector. We would get to the pride of kicks in due course.

Subject to my reservations, I also congratulate the Minister on the entrepreneurial visions of the Budget Statement. I told him privately, and I

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suppose it is worth repeating in an effort to strike the right note today and not be smelly and suspicious. I told him privately that unlike the President of the United States, he could certainly sell me a used car. He might be able to sell me a fleet of used cars or a pride of used cars, but then of course, he is not in charge of selling pride, with the obvious results. There is no doubt that this Minister is very skilful and he is a credit to Trinidad and Tobago internationally. It would be remiss of us not to recognize that.

Of course, he is also very good at taking good advice. I am very happy he has taken my advice in relation to what he now euphemistically describes as competition policy. I had a lot of difficulty with this Government when I talked about monopolies commission in the past. I guess it know that my advice is usually sound. It has ways they can test my advice, so it knows it is usually sound. I also congratulate the Minister on taking my advice, and now considering the introduction of competition policy legislation designed among other things, to address issues relating to the exercise of monopolistic power by individual firms, such as abuses of dominant market positions and barriers to market entry.

May I remind the representative Minister that the first place I want the competition policy legislation to bite is the media before we have anymore cross ownership of various arms of the media. Now that the Government has taken my advice on the philosophy, I am bold enough to repeat my advice in relation to the media. That should be the first task of the competition policy legislation.

I also congratulate the Government on taking the risk of introducing an industrial estate in the La Brea area. According to my information, I believe that is one of the most depressed areas of Trinidad. Therefore this will, no doubt, give the area a lift. However, praise from colleagues is one thing, but as the master teachers referred to by the Minister of Education would have certainly told people of my generation, self praise is absolutely no recommendation. I think that the self praise of this so-called good news budget is based on certain assumptions about which I am not so optimistic.

An assumption of this Budget:

Is that there will be a substantially increased tax take. Sen. Mansoor has pointed out that in some cases it is projected as high as 20 per cent. There is a concomitant assumption—it is really an operational assumption that the tax take would be bigger because the tax net would be widened. Well, I am very depressed to see that the Tax Surveillance Unit is going first to the businesses that they know are on record and from which they collect substantial sums of money.

2.30 p.m.

I am really challenging the second assumption first, but time is limited and I would like to get it out of the way. I really thought that as a result of other advice which we have given the Government about the Income Tax Department, the tax surveillance people would have been going to those establishments which they do not have on record. There is an element of "taking lamb" when the tax surveillance people go to addresses and find numbers with which they are already familiar. I thought that the whole purpose, and operationally, the whole way in which one sets about widening the tax net is to net those persons who are not yet in the system. But I guess it takes a little while to change some of these facile habits.

I certainly challenge the assumption that the tax net will be widened, because the Tax Surveillance Unit started off by going to the same old customers and, indeed, are saying point blank that they cannot go to the bad guys because they need an amendment to the legislation, which, of course I have said, in as parliamentary language as I can, is rubbish. They can do source and application audits on anyone, including the bad guys. I have a problem with the revenue projections in this Budget and time will tell. Those are the first two assumptions that I challenge—the revenue projections.

The Government has finally openly washed its hands of having anything to do directly with providing jobs, and that is vividly illustrated by referring, for example, to page 58 of the *Medium-Term Policy Framework*, to which Sen. Mansoor referred yesterday, where, under 'Policy Areas and Objectives—Employment', the objective is to facilitate sustainable employment and one of the principal strategies and measures is to continue to encourage private sector investment.

In due course I shall show that this Government has a very discernible bias. I do not mean bias in terms of smelly, I mean bias in terms of leaning—it is probably an unconscious bias—in favour of foreign private sector investment and is failing quite considerably to encourage private sector investment, but I shall come to that. I challenge the assumption that jobs will flow very easily from investment or growth in the economy, but others who are more learned about these things have spoken about that already.

The other assumption that the Government has made and which is a very frightening one—and this is perhaps where the self-praise and the good news that

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we hear on the Information Division is coming from— is that it has held the social fabric together. I think that is an assumption which is very challengeable.

Indeed, when I come as I shall, to criticize the Government for not introducing legislation to encourage the local private sector, the Minister will no doubt answer—and it probably is a reasonable answer—that much of his legislative programme was derailed by the additional and accelerated time that we had to give to deal with provisions to deal with crime.

We have short memories in this country. Around the time that we were debating the Bail Bill, I know it would have been a very brave Minister—even a consummate used car salesman would have had trouble saying at that time that the Government was holding the social fabric together. The social fabric was under tremendous stress, and I think it is very wrong to assume that those stresses have gone away. If time permits, I shall refer again to an article which points out that one of the difficulties in the type of economic development on which we are now embarking, is that there is a permanent underclass of persons who simply will never get into the dynamics of the new system of doing business. I quoted it before if time permits I will refer to it again.

Given the presence of the underclass, whether it is permanent or not, it is a very, very dangerous assumption to make that you are holding the social fabric together. I was out of the country at the time, but I understand that when troops were being mobilized to be sent to, I believe, Haiti, the rumour mill started. People saw movements, there was great panic and phones started ringing and so forth. That tells us how fragile the social fabric of the country still is.

I am referring to this and challenging this assumption. I said it before and I say it again: "One can sometimes be bowled by one's own spin." While it is a treat to see this very skilful Minister present the Budget in the way that he does, I hope and pray that the political optimism which he portrays will not blind him to some of the realities in this country. That is an assumption that is challengeable.

Then he makes the statement which shows how far out of touch he is with the non-energy sector. On page 12 of his Budget Statement he says that the divestment programme is orderly, successful, has strengthened the domestic climate for private sector investment, and expanded local ownership. I should like to spend some time on that. I have been fairly brief in my challenge to the other assumptions because this is day two and we want to perhaps not use our full time, if possible. That statement does not bear critical examination outside the energy sector. Perhaps the self-praise and the various other public relations means which are being employed are blurring the Government's vision.

I am very glad to see the Minister of Trade and Industry here today. I think that he has some responsibility for divestment, certainly outside the energy sector. I will be bold enough to make a few recommendations to him in due course about how he might bring order back to the divestment programme. It really has become quite disorderly.

As one editorial writer put it, and I quote from today's *Guardian* editorial. All kinds of allegations are being made.

"This is not the unexpected by-product of the government's failure (both the NAR and the PNM) to be open and forthcoming in a series of transactions..."

which they name, and they discuss the Pride of lions and so forth.

That is a very serious problem and it will not go away. Something very disorderly is happening in the divestment programme and that is why I wish to challenge that assumption and that is why, like why my colleague, Sen. Ainsley Mark, I want to quote and remind everyone of what Sen. Prof. St. Cyr said. That is, we must deal with divestment case by case without ideology, but it appears that this Government is becoming something of an ideologue where divestment is concerned.

I repeat, within the energy sector, there has been orderly and successful divestment, and, indeed, according to what little information I am able to obtain about these things, although the initial price at which natural gas is sold to foreign investors is quite low, in all of these contracts, there is a price escalation clause—and perhaps the Minister will confirm it in his winding up—linked to the price of the product on the international market.

For example, right now, in relation to methanol, we are getting a much better price than many other parts of the world, including the United States. My information is, in some cases, it could be twice as high, and therefore those contracts have been well negotiated, orderly and successful. And, like Sen. Ainsley Mark, I like the open airways.

2.40 p.m.

Somewhere recently, I was reminded—I had dealt with them, but I had forgotten about them—that the Government has a divestment secretariat, and indeed we have seen some very impressive films about the divestment secretariat and their successes with Printing and Packaging of which Sen. Rahael spoke. And I know from experience, because I was involved professionally in one divestment which was very clean and very well-smelling—

Mr. Valley: Mr. President, I simply want to inform the hon. Senator that all divestments done so far by the divestment secretariat and others have been clean and of excellent fragrance. I can assure the hon. Senator of that.

Sen. M. Daly: I am not suggesting anything to the contrary, but I am wondering where the fragrance is, and where the divestment secretariat is in the divestment of T&TEC; in the divestment of BWIA; and in the hare-brained scheme that has not yet been formerly killed, for the airport. That is precisely the point I am making. Apparently we do not have the divestment secretariat involved in these transactions, perhaps, the Minister would care to deal with that.

Mr. Valley: Let me assure the hon. Senator that the divestment secretariat is very much involved in the T&TEC as well as the BWIA divestment. As a matter of fact, I have just left members of the divestment secretariat in consultation with the Acker group at my office, so that I can inform him that they are very much involved.

Sen. M. Daly: I am very relieved to hear that, but I hope that the disorder around us is not as a result of the brief of the divestment secretariat having changed. Because when I knew the divestment secretariat they were very orderly and they never set deadlines that excluded the Parliament of the country; they never set deadlines to suit the investor exclusively and we were never told "divest or die." I have a very real problem with that if this report is true.

Mr. Valley: Mr. President, while I really do not want to disturb Sen. Daly this evening—

Sen. M. Daly: I am not disturbed.

Mr. Valley: I would just say again, that the reality of BWIA is that we divest it or the airline dies. That message has to go quite clearly to the public, especially given what is happening right now.

Sen. M. Daly: Mr. President, let me assure you, in the course of my challenge to the statement that the divestment programme is orderly, successful and has strengthened the domestic climate for private sector investment and expanded local share-ownership, I am going to deal with this desperation point as I call it. I am saying that if one embarks on divestment and tells the other side that one's philosophy is "divest or die"—as in the case of BWIA or as appears to have happened in the case of T&TEC—take this bankrupt company off our hands—one is going to get a thoroughly rotten, disorderly and unsuccessful deal, and that is my complaint.

I notice that the divestment secretariat does not appear to have anything to do with the "Pride of kicks" which of course is why we have been actively misled by the chairman and management of Pride for over 18 months about the status of that project. There is nothing orderly or successful about it and I really cannot understand why the Government has not invited those particular people to take the same course that it invited their predecessors to do after the Collymore Report. I do not know why it is being so slack about it. Anyway, it probably has a reason.

What is happening now is that everyday when one picks up the newspapers one sees a wilder and more desperate statement about BWIA, T&TEC or WASA, all of which I venture to suggest passed the strategic test proposed by the Minister in his Budget Statement. If BWIA, T&TEC and WASA are not strategic—and that is the test that they have to pass for the Government's continued participation—then I do not know what else is.

As far as I am concerned, it is an absolute act of disorder to offer up, as corpses, these three organizations—warts and all. They have served us well, certainly as long as I have been alive, and by now I regard that as a not unimpressive figure. Therefore, I take strong objection to the disorder of offering up these enterprises, as corpses, to be embalmed and taken off our hands and buried.

Maybe it is that the divestment secretariat's brief is now something of a terminator, in which case I could understand the craziness that is taking place. It is obvious to me, that the energy subcommittee about which Sen. Barnes has spoken—and I thought until today the divestment secretariat proceeded in doing business in an orderly way that is why we saw the fruits of that in this Budget.

I think that is an assumption of this budget that has to be challenged and I do not want to either anticipate my private motion on BWIA and the airport or to have a retrospective on T&TEC. What I would say before I leave this point, is that the Government needs to take the advice of Sen. Prof. St. Cyr and proceed case by case without ideology. And "divest or die" is ideology. *[Interruption]* That is ideology and it is precisely the same thing as taking the red flag and going to the barricades and saying "nationalize or die". It is precisely the same thing, it is ideology and the Government should get it out of its head. Commanding heights of the economy or die!

Take Sen. Prof. St. Cyr's advice, forget "divest or die". These are the people's assets. Both editorial writers have described what these assets are for us today, and the Government is out of place and disorderly to offer them up as corpses,

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and I take strong exception to it. I think that Minister Mottley was probably not thinking of the non-energy sector when he made the over-optimistic and self-praising statement that the divestment programme is orderly, successful and so forth.

Indeed, it certainly has not strengthened the domestic climate for the private sector, and it certainly has not raised local share ownership, but I have spoken about the lack of Employee Stock Ownership Programme already. I was very pleased to see today in the newspaper, that a commitment is being signed—although it is being described by the unions as “strategic”—to take shares in the national airlines, whoever embalms it, because we know it is an embalment that is taking place.

As Sen. Ainsley Mark pointed out, Trinidadians and Tobagonians are very wise now and we are very good at giving things names. We have names for every bout of influenza. There is some suggestion that after the divestment of BWIA what is going to be on the menu is ‘float and accra’. It is going to be a float and Acker airline because the instructions are “divest or die.”

That brings me to the bias in this Budget against the local private sector; and in his introduction of the Budget in the Senate, the Minister made the statement that:

“We are in the unusual situation in Trinidad and Tobago where international capital is streaks 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... would grasp the baton from the Government...”

2.50 p.m.

I say there is a bias against the local private sector because apart from the Venture Capital Bill, which is very limited, the Government has not introduced any measures to wean the local private sector away from loan capital. It has not introduced any measures to wean the local private sector of loan capital, apart from the Venture Capital Bill which is very limited.

I have come across an IFC document, of course, that would be readily accepted, which is giving the same advice as was given the venture capital debate about the limitations of venture capital in small countries. We shall get to that.

That is because there has been no reform of the insurance legislation—it has been promised—no reform of the Companies Act, although that too has been promised. I was on a failed select committee of which I attended too meetings in a year, and there has been no reform of the stock exchange. All of that is necessary if we are to wean the local private sector away from loan capital.

My complaint is that all the time we are spending in this divestment, if those things are not in place there is not much room for the local private sector to get involved in any of these divestments, assuming that they were given an opportunity to participate. When these things are negotiated in hotels and so forth, there is no opportunity for the local private sector to get in the deal. Two parties are sitting at the table, the foreign investor, and the representatives of the Government and there is no opportunity for the local private sector to get in the deal.

First and foremost because traditionally, these companies that are subject to divestment are not quoted on the stock exchange. I have a problem with the disregard that this Budget shows for the local private sector. I summarize it by saying that disregard is demonstrated by the failure to put in place the measures which the Government acknowledges are required to stimulate local private sector investment.

There is some disregard as well specifically for the insurance sector. There has not been any reform of insurance legislation, and I do not think the Government has—perhaps it has forgotten—Minister Valley could not have forgotten it. How many people does the insurance industry employ? There are all kinds of problems with the existing Insurance Act, not least of which on one interpretation of the Act, that someone can come here on a yacht and write business where risks are located in Trinidad, collect the premium and go away. That is one possible interpretation of the Act.

The longer we take to address those problems of the insurance industry in particular—to use the phrase repeated by Sen. Mansoor—the local insurance industry would not be competing on a level playing field either. I should have thought that long before we used a motor insurers bureau as the excuse for introducing the six per cent tax, we would have set about regulating the insurance industry with the same fervour with which we regulated the banks and non-banking financial institutions. And we would have seen to it that those insurance companies—and they are wellknown—which are not conducting business in an appropriate fashion would be taken care of.

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In one fell swoop one might—because we do not have research—have taken care of 50 to 75 per cent of the complaints that are written by small citizens in this country about their inability to get insurance claims settled, or about the fact that people are driving about without any insurance at all. If there were proper regulations in the insurance industry—I am not saying we should not have a motor insurance bureau, but the point is, we have not tackled that either. Perhaps, it is because we have been too busy in the hotels and in the fine capitals of the world, for example Houston and so forth, being wined and dined that we forget about the local private sector.

Now that the Government has made the achievements which I acknowledged that it has in the energy sector and so forth, I think it is time to pause and ask the question: Are we proceeding on a case by case basis without ideology? Or have we been in Houston too long? Have we lost our focus? I am sure that Sen. Barnes would be the first to admit that, perhaps, it is Paris for fashion, Port of Spain for steelband and Houston for oil and gas. Perhaps, we have been in Houston too long and we are losing our focus on Port of Spain.

It would be very nice if the budget next year could tell us about the success of divestment, outside the energy sector, and if it could also tell us about growth in the economy that is directly related to the activity of the local private sector on which the Government has squarely placed the burden of generating employment, which the Government used to do, as a direct employer.

Indeed, it was rather significant, for reasons best known to himself, the Attorney General described one of my contributions as spirited. I wanted to say the same thing about Sen. Rahael's contribution yesterday. Was it not interesting? There as that point in Sen. Rahael's contribution where he agreed with Sen. Mansoor—both businessmen par excellence—on the long list of things that were required in the manufacturing sector to assist the good and efficient manufacturer about whom Sen. Rahael spoke so eloquently.

All Sen. Rahael could say—I do not have the *Hansard*—but I am sure he would correct me if I got it wrong—were words to the effect that he knew those things were needed and he continued to press for them too. If he cannot get them—and he has a magnificent heliconia on his tie—how are the rest of us going to get them? I would say to him. Could we please correct the bias against the local private sector and start giving the measures that are required to stimulate local private sector some priority? I think it is very important.

Another criticism that I have of this Budget is its apparent disregard of the local private sector and in particular, introducing new taxes in the insurance

industry at a time when we have not, with the same fervour that we have dealt with the banks and non-banking financial institutions, set about regulating the industry first. Indeed, to borrow Minister Mottley's fine concept, that is not an orderly act. I understand from the sources that are available that there have been talks between the insurance companies and the Board of Inland Revenue and we are trying to make a little operational sense out of the six per cent tax.

3.00 p.m.

Another problem relates to the assumption about the social fabric of the society. The insurance industry has done a study over a two-year period on stolen cars, and the figure is \$22 million. I am looking for the reference, but I cannot put my hands on it at the minute. That is what we really should be dealing with as part of keeping the fabric of the society together. Indeed, as a matter of interest, Sen. Ainsley Mark—to whom it is apparent I listened with the utmost care—spoke about his Mazda 626.

According to the survey done by the insurance industry, he is in a very vulnerable position indeed. He needs to check with the insurers, having regard to the discussion we have had about valuation, because the Mazda 626 is on the top of the list. Those are all things which I think are cock-eyed about the Budget. Let us regulate the insurance industry. Let us bring forward the legislation to do that before we start imposing a six per cent tax on the industry.

I am trying to complete the kicks in my "Pride of kicks," but I do have to mention the airport one more time. It is very interesting that in the course of his—I suppose one can call it a re-run of the silver medalist's budget because it is laden with references to Olympics, baton and so forth; there is some "bootoo" as well as baton but there is much reference to Olympics and so forth. Perhaps, in the course of the re-run, the baton slipped a little when he dealt with the airport.

I believe that is what causes one to lose a relay race—when one does not hold on to the baton firmly enough. Is it not interesting that in the course of his presentation, at the beginning of the Budget Statement, he talked about being now part of the global city—and I was remembering what Fr. Graff taught me in St. Mary's College about Athens; I was thinking of another Athens, the global city—I do not suppose Athens had many potholes.

The Minister of Finance said that the Government would tackle the infrastructure—the telecommunications, the ports, the airports, the drainage, the gas pipelines, the industrial estates, and, most important of all, water—clean pipe-borne water. I began to feel thirsty. His presentation was so skilled. I was sitting

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there with some of my colleagues from the Senate, and when he said ‘airport’, for some reason, which I do not understand, they all looked at me. I had no idea why. Then there was much hard information under all the different rubrics—competition policy, divestment policy, social service—the runner was streaking down the track. When the Minister came to pass the baton to the airport, having talked about the global city—I am really hoping that they would invite these fellows to go tonight when I am finished, the ones who have been misleading us about the airport. When he got to the airport, just before the La Brea Industrial Estate, on page 16, having primed us for this operation, he said:

"Madam Speaker, our objective remains that the expansion of the airport, necessary as it is, must be commercially viable. Within this framework, we are continuing discussions for financing the airport expansion project."

That is all he had to say for the global city. That is the hollowest of hollow statements. That is why I returned to it. What is there about this airport that there are miles of rope which the Government keeps letting out and extending further and further? But, that is for another time, there should be a Private Member’s Day early in January when we could see where the rope leads.

It is most interesting. Whether one agreed with anything the Minister said or everything or none of it, he ran the race well. The only time he faltered in his stride was when he came to deal with the vexed question of the airport for the global city. And the global city he was describing must have an airport and very soon. But, more on that at another time.

There are some things in this Budget that may be stings in the tail, but time will tell! I am agitating the questions in a general way. Senators Mansoor, St. Cyr and others, far more skilled in this discipline than I have dealt with some of these figures. I do want to emphasize and summarize, before I finish, what my specific criticisms of this budget are. They are not necessarily in the order in which I dealt with them:

- (i) A somewhat dangerous assumption that the social fabric is being held together;
- (ii) A somewhat hollow assumption that the tax net would be widened—unless the Government starts going after the persons who are not already on record;
- (iii) A rhetorical call to the private sector to be the engine of growth and the creator of jobs in circumstances where the Government has given little or no priority to the measures which, it admits, are required to stimulate private sector investment.

The divestment programme, successful in the energy sector, has become quite disorderly and I do not want to repeat what I said about embalming those enterprises that may have strategic value. I am sure that the lesson, if it is a good one, would be heeded in due course by those who think carefully about these things.

I also criticize this Budget because I think specifically in relation to the insurance industry, it is putting the cart before the horse by seeking to tax activities in the insurance industry before amending the Insurance Act with the same care with which we amended the Financial Institutions Act. Therefore, I ask the Minister either to debrief the divestment secretariat, take them out of the funeral parlour, put them back into the drawing room and let them set about working in an orderly way, and hopefully a successful way, for the divestment of enterprises outside the private sector.

I am astounded that we could not get a more significant and substantial statement about the status of the airport, except that we are still looking for financing; and this we have been told, in one form or another, certainly for a year or probably longer. I have not brought out all the questions I had answered on the subject because that is for another time.

I have a problem with the apparent postponement of some of the enterprises that are in urgent need of divestment, not before they die, but before they are assassinated by the incompetence of some of the runaway horses that are in charge of some of these enterprises. They have been identified on previous occasions, and because I want to follow Sen. Ainsley Mark and be restrained, I would not say anything more about that. Those enterprises are well known.

3. 10 p.m.

Finally—I should have dealt with this earlier—one reason we cannot divest or die is that there are people exporting vegetables to the ethnic markets; also, anthuriums and heliconia—which should please the Government; there are people exporting fish, and they all, by and large, depend on BWIA for the transport of these perishable goods by air. I do not know if we are saying that vegetable growers, horticulturalists, and people involved in fishing must die too. I hope we are not saying that, and I hope somewhere in the "float and Acker" deal we are making arrangements to deal with our fishermen, horticulturalists and vegetable growers "in an orderly and successful way." I hope we are making these arrangements.

So Mr. President, as Sen. Dr. St. Cyr said, it is really somewhere in the middle—there is some good news, some bad news, and some worrying

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assumptions. I try to identify those that worry me but I would end as I began, by saying and indeed borrowing from Sen. Mansoor: Yes, there is room for cautious optimism.

Perhaps I could just say this. It was not in my notes but in the course of popping up and down to keep me informed about "float and Acker" the Minister repeated the \$800 million loss and what to do and so forth. There is something else that worries me. This Government is making a virtue out of previous failures. I ask rhetorically: who is in charge? Who provided the Minister of State Enterprises during the period that these losses were accumulating?

We are in very great danger of saying, "Now wait a minute, we lick up this, therefore, you have to let us sell it." There is a very grave danger in that philosophy. That is why I do not like "divest or die," because we have to find out how come we have reached this position of an \$800 million loss; and that is no justification at all for hasty divestment. I am not against it. I have said what my position is, but I think there is very great danger in making a virtue, or an apparent virtue, out of failure.

I should like Sen. Ainsley Mark to know that I am sorry about two things. One is—well I am not really sorry that he has spoken already. I do have to mention National Fisheries only to say—nothing to do with the matters with which he so, if I may say, correctly and ably dealt with, because it is important to correct the good name of those of us who do build in this country. Many of us, like him and me, come from very modest circumstances, but we try to build a little thing here or there. I think it is very important to ask questions in the context of making virtue out of failure—"Who buss National Fisheries and how it came to "buss?" Who was in charge of it? That is why I do not like runaway horses.

Thank you very much, Mr. President.

Sen. Kamla Persad-Bissessar: Mr. President, as I listened to Sen. Ainsley Mark when he was speaking about breaking up things, or mashing up things, it came to my mind from the Holy Book: "To everything there is a season, and a time for every purpose under Heaven." Let me remind him and all of us that there is a time to be born and a time to die and so, too, there is a time to break down, as there is a time to build up. So when we see there are things that should not remain standing, we must speak out and we must break them down.

So it is, with poverty in this country, which some consider to be akin to the fires of hell. Poverty debilitates—cripples a nation; it sucks out the heart and life-blood of a nation; it threatens the entire society; it threatens health, environment,

family structures, mores and values. Indeed, it threatens the very fabric of the society—social cohesion and political stability. Poverty is no respecter of persons, because it seems to hit hardest those who are most vulnerable, that is, our very aged, our very young, and our women—mothers.

In an article by Diana Washington in the *Sunday Guardian* of November 6, 1994 she writes: "Mothers suffer most". She says:

"Many yearn with all their hearts, nerves and sinews for their children to get an education and rise above the level at which they have been forced to subsist. They 'slave away' to ensure that their children can benefit from educational opportunities.

They preach to their children *ad nauseam* about the importance of education. They are frustrated and burdened by jobs and education levels which debar them from effectively supervising or assisting with their children's school work. Yet, they try and they try, and they pray, only to be blamed later for the failure of their children, some of whom never share their parent's definition of success in the first place."

Poverty in this country, or anywhere, is the most difficult development indicator to pin down or quantify. There have been studies done in Trinidad and Tobago, starting in 1988 where the estimated number of persons living in poverty were in the region of 18.5 per cent. That study, done in the late 1980s by Henry and Melville, estimated that at least 18.54 per cent of the households in this country were existing in conditions of poverty. They cautioned that they had calculated their figures, not taking into account shelter and housing and those additional factors that would go towards, in fact, making a higher poverty rate.

Again, in a recent World Bank Report on poverty and incomes in Latin America and the Caribbean, which was done for the period 1980–89 using US \$60 per month as a poverty line, the level of poverty in this country had quadrupled. That study estimated that as many as 105,000 people were poverty-stricken at the end of the 1990s, as compared with 27,000 in 1980. What is also interesting is the spatial distribution of persons classified as poor, which is also widening. Rural poverty exploded from 3.4 per cent in 1980 to 21.1 per cent ten years later.

There is an even more recent assessment of poverty, which was done by a 12-member team headed by Mr. Allister McIntyre and funded by the Inter-American Development Bank. The study was titled "*Building Social Consensus and Social Policy for Trinidad and Tobago.*" My information from the Research Department

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of the UNC is that this study was submitted to Government in August, 1993 and I quote from page 7 of that report:

"Available data indicates that there has been an increase in poverty over the period 1988 to 1992. It is estimated in the latter year, about 22.5 per cent of households surveyed were below the poverty line..."

That figure would have gone up since 1992. Since then we have experienced a floating rate "managed or otherwise" as the other side has said; and that in turn prompted an immediate response in prices. According to the Central Bank's *Quarterly Economic Bulletin* for the second quarter of 1993, the Retail Price Index registered the steepest quarterly increase in 13 years during that period of the float, April to June of 1993.

The Retail Price Index has gone up when one looks at the factor with respect to food. Over the period September, 1993 to August, 1994, the index for food grew by 13.8 points—more than double the more general All Items index. This means the rate of increase of food prices outstripped the general prices.

3.20 p.m.

It is my respectful view that there are more and more persons who have been pushed over the poverty line. Extrapolating from that Henry and Melville study, it was estimated that single person households would require a monthly income of at least \$371.00 to stay above the level defined as poor. That is the poverty level. Regrettably, old age pension is below this figure, implying that pensioners who depend solely on this source of revenue are, in effect, existing below the poverty line.

The hon. Minister with responsibility for old age pension is reported to have said, during her recent budget contribution, that during the period January to October, 1994, there were about 59,784 persons receiving old age pension. In addition, there are some 26,171 who received public assistance during the same period, January to October 1994. If that were the sole source of revenue, as it is in most cases, it would place these persons below the poverty line.

It is not enough, in my respectful view, to say that we are looking at pensions in a general way, that we are looking for development in a general way. This Budget that we are debating today has not addressed old age pension, has not addressed anything to do with public assistance, leaving persons there below the poverty line.

In these circumstances it is tragic that the entire budget speech makes no mention of relief for hardship save and except for one measure. That, perhaps, is a

joke—I do not know—or it may be a cruel joke, but, you see, that deals with exemption of maintenance payments from tax, which is welcome, I am sure, by many mothers who are receiving maintenance payments. It is a welcome exemption. But, you see, an exemption of \$1,200 cannot keep a child for a year. They, too, are below the poverty line.

I want to refer to a letter which was carried by the *Saturday Express*, December 3, 1994 at page nine. It is a letter to the editor by one Vilma Gordon of Belmont. The headline states: "Pensioners left out of '95 budget." It reads as follows:

"The 1995 Budget is not a great Budget, neither is it a bad Budget. It is a good Budget, but not for the non-working class; this is a Budget for the young and vibrant.

To quote Mr. Mottley: 'This package for the year ahead focuses more directly on the conditions necessary to create an enlightened and liberated citizenry'—for whom?

Certainly not for the oldage pensioners who have had to exist on \$356 a month for 1994 and even less during previous years. These people are left on the backburners and yet they are so civic-minded they come out in their numbers on election day; without their input the election results would be sadly lacking. Do they not deserve a decent monthly allowance? Just think, in this year, 1994, pensioners are not even receiving at least \$500 a month.

The interest in these people has been sadly lacking by past governments as well as the current one. Most of these people have worked hard in their youth and into their prime. Some of them have had to give up their jobs early because of ill health which comes as a result of aging. They have no relatives to gain financial relief from therefore, the pension is all they have to look forward to."

She continues:

"This caring Government certainly cares about the 'poor and destitute', for they have beautified Independence Square for the vagrants, for who else makes use of this attractive facility?

Please, Mr. Minister, give a thought to these almost forgotten old people."

My colleague would say a bit more with respect to the social safety net. But when we speak of poverty, we must, at the same time and in the same breath, look at crime in this country. There is a correlation, in my respectful view between

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poverty levels in the country and crime. There is a correlation between poverty levels and unemployment. There is a correlation between unemployment, as well, and crime.

If I may refer to an article in *The Independent* which was published in London on April 8, 1994. This article talks about: "Jobless link to crime suppressed". What had happened here is there was a leaked Home Office document which stated that there is a clear link between rise in crime and joblessness. It was supposed to be suppressed by the Home Secretary there. The report says:

“...that by creating a greater sense of ‘relative deprivation’ between poor and the well-off, the government has produced a class of person for whom ‘a real job or even the prospect of a real job has been absent in all the crucial years of individual development.’”

The article continues:

“...a recent review of 397 research studies on young offenders, both in Britain and abroad, showed that the ‘single most effective form of intervention was the provision of employment to offenders.’”

Mr. President, that is saying that the link between unemployment, crime and poverty cannot be denied. So when we look at figures in this country for crime, we would see that as at today, as carried in an article in the *Trinidad Guardian*, the figure for murder stands at 129.

Whilst we have heard and seen within the budget, that provisions are being made—and my Friend on the other side has reminded me that it has been decreased, according to the same article in the *Guardian*; I do not deny that, but we cannot sit back and be comfortable. You see, we have been doing this all along. We will not deny that there has been a decrease, but what is important is that there has also been a decrease in the detection rate. If we are to solve crime, surely, with all the new measures that we are putting into place, we would have thought that there would have been an increase in the detection rate as well.

So it is not enough simply to say that less crimes are being committed. If the figures I have been shown are showing less serious crimes are being committed, we have two further questions to ask. Are less crimes being reported? Secondly, if less crimes are being reported, why is the detection rate lower?

So it is, when we look at the statistics, we would see, from January to October, 1994, that the largest number of murders since 1981 has been committed this year. We may go further to say, okay, many of those are domestic-related

murders, so they are not simply crime. But again, we have to look at the social factors, the poverty levels, the frustration that could be playing its role in accounting for so many of these domestic, violent incidents.

The period for January to October, 1994, a total of 15,485 serious crimes were reported to the police, with a detection rate of 23.26 per cent. As at November 11, 1994, 16,694 vehicles were reported stolen for the year. Of that amount, only 900 have been recovered.

It is heartening to see that the National Security Ministry has been given an increased allocation for 1995, as reflected in the draft estimates. The bulk of the increase that has been allocated is \$55.9 million going to personnel expenditure. I would ask the hon. Minister of National Security if he could indicate how much of this is going to new personnel and how much to existing personnel in the National Security Ministry.

3.30 p.m.

Is any part of that figure being used to cover arrears? The figure for minor equipment purchases has been decreased by \$2.4 million, perhaps, this is because some additional allocations have been made for vehicles this year, so in the new budget that has been left out.

It is interesting that in the budget statement nothing was mentioned about crime; one must go to the *Medium-Term Policy Framework* at page 35,

"National Security and Crime

133. The maintenance of law and order and the prevention and detection of crime, remains one of Government's major objectives over the medium term. In this regard, several measures instituted to combat crime and narcotic trafficking will be strengthened. These measures include inter alia:-

- (i) increasing regular foot and mobile patrols;
- (ii) increasing operational manpower through civilianisation;
- (iii) launching a more aggressive thrust in countering money laundering;
- (iv) enhancing and strengthening the Office for Strategic Services (OSS)—the co-ordinating agency in the fight against illegal narcotics;
- (v) upgrading the Police Organised Crime and Narcotics Unit (OCNU); and
- (vi) heightening the role of Trinidad and Tobago in regional initiatives against narcotic trafficking.

134. Government's policy with respect to the administration of the Protective Services will focus on the development of a disciplined, well-equipped and efficient Police Service and related agencies. To this end, steps will be taken to accelerate the handling of disciplinary matters within the Police Service and to improve the relationship between the Police Service and the public in the fight against crime. Additionally, in order to further strengthen their capabilities, the Defence Force will continue to expand, upgrade and re-equip their Forces."

I have said that more money appears to be going into the Ministry of National Security. From the *Medium-Term Policy Framework* it would seem that the crime package reveals a reactive approach rather than a proactive approach. What Government has proposed, and which has clearly failed, in my respectful view, but which it is insistent upon, concentrates on the detection rate as opposed to preventive policy. This means that the policy is about providing the police with administrative and physical capabilities. We welcome the increase that has gone into that ministry, but it must go further; it cannot be merely with respect to detection and punishment of offenders. It must go towards prevention in the first place.

The Government's policy is not one poised to bring about reduction in the number of crimes committed in the first instance. From the statistics, it is clear that that approach has not been successful, the detection rate is down, the murder rate is up. Crime, as I have said before, is a social problem. Crime thrives on or responds to the negative social consequences of economic difficulty.

The unemployment rate. Let me say that there has been a great hue and cry about whether this rate has increased or decreased. I will not get into that controversy. If the rate has increased, it is a reason to be happy, but at the same time, we cannot blow our trumpet too soon because there are so many thousands who are still unemployed. The unemployment rate is still far too high, therefore, this budget should have addressed, in my respectful view, more measures with respect to unemployment and to the alleviation of poverty.

To truly tackle the problem of crime, the social factors must be addressed. Again, this budget, and its allocations to the Ministry of National Security, deals with the dollars and cents approach. This is where the budget fails.

The thrust in tourism is also tied up with crime. Giving tourism added focus in an attempt to generate the greatest amount of employment in the shortest time possible cannot be objected to. This is what the hon. Minister said in his budget

statement. However, as with this Government's failure to understand what is necessary in terms of human and other resources to make this nation safe and the administration of justice efficient and effective, mere fiscal incentives to increase the tourism thrust will provide yet another example of the Government shooting itself in the foot.

That is why I do not think any of us can forget the front page of the *Trinidad Guardian* of November 4, 1994, the headline "Miss Universe robbed"—an ambassadress who would have brought in others from the publicity that would have followed her. To date, and to the best of my knowledge, I do not know if any recovery has been made with respect to what she lost.

One looks at newspaper clippings and at news of violent assaults, robbery and rape of tourists both in Trinidad and Tobago, and can see ample evidence that Trinidad and Tobago does not appear to be a safe destination for tourists. One can look at the article headlined "Violent Crime a major setback to Trinidad Tourism" which appeared in the *Trinidad Guardian* dated October 4, 1994, which quoted the Tourism Master Plan and Investment Working Paper prepared by the ARA Consulting Groups saying:

"The perception of the destination is not safe for tourist or resident is a very, very serious problem. The reputation of Trinidad and Tobago has been dealt a serious blow during the course of the last few months. Brutal crime, reported in key market areas on front pages and television news, cannot help but create an immediate image in the minds of many that the destination is not safe and is to be avoided."

The *Trinidad Guardian* further carried an article on its front page of November 7, 1994, headlined "Tourist Protection Squad in Tobago." This article described the impossible conditions under which police officers were carrying out their duties. I trust that some of the increased allocations would go to Tobago.

I say further that if that thrust in tourism is to succeed—and I hope it succeeds, because we all live here—then a different image and perception must be given of this country as a destination for tourists. As it stands now, the perception is that it is not a safe destination.

I want to look now at the administration of justice in this country. Again, I find that I have to preface statements by saying, yes, we agree that something has been done, but, yet, we must say that it is not enough. This is what the system of parliamentary democracy is all about. It is not that we say that this document is the best one in the world, therefore, we do not need views from anyone else on

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this side. It is not so; that is why we are here today. Therefore, whilst we may acknowledge, we must also recognize that it is not the last word. We must recognize that there is much that can and should be done.

If we look at the administration of justice in this country, despite all the motions that have been before this House and the other place, previously; and the talk about what is being done about the administration of justice, there is still so much to be desired.

I think someone quoted previously from the *Sunday Guardian* of November 6, 1994:

"An urgent inquiry into the operations of the legal system is needed. I think it is chaotic. Any stranger should be forgiven if he were to walk into the criminal courts and have the feeling that he were attending some pantomime."

Words of Mr. Len Woodley at page 8 of the *Sunday Guardian* of November 6, 1994.

3.40 p.m.

It continues:

"The shabbiness cloaking the profession was not all that caught his attention; he was horrified at the long delays between arrests and trials. These long backlogs of cases, he says, amount to a denial of justice.

The flaws in the system point to an eventual collapse of law and order in the country, he says.

"That is why an urgent inquiry is needed."

Maybe, Mr. Woodley did not know then about the *Gurley Report*. Perhaps he did not know that an inquiry had been done. Because despite the *Gurley Report*, so much remains undone. In terms of the delays in the hearing and the resolution of both civil and criminal matters, and miscarriages of justice, the situation has worsened, in my respectful view, in the past twelve months. There have been constant complaints over the past 10 years: magistracy, judiciary, police, attorneys, the cavalier attitude of attorneys to repeated adjournments of cases.

A sampling of the press clippings on this topic in the past year will show that the process of cases has deteriorated further. Innocent people are waiting for years to have their innocence established.

I agree that they are trying, but I am saying that it is not enough. Others are being rushed through the court system in a matter of weeks as the hon. Minister is

pointing out to me. Guilty people are being set free because eventually prosecution witnesses fail to show up as they get tired of turning up for adjournment after adjournment. Despite all of this, the Government side is telling us that it is looking after the needs of the system of justice. When one has mastered the art of double-speaking anything is possible.

Much time has been spent much about the delays in the system of the administration of justice with respect to criminal matters, so much so that the civil jurisdiction of the courts is being entirely forgotten. "Seepaul's luck: 16 years waiting for justice"

And he is still waiting.

"Sixteen years after he filed an action in the High Court claiming a lot of land from his landlord at La Romain, Mohess Seepaul, a 77 year old proprietor, is still waiting for justice.

This is taken from page 13 of the *Guardian* of November 25, 1994.

There are several others from a sampling of those clippings—there are several of them that we have been reading. There is one, that might be entered in the *Guinness Book of Records*, and this is a case reported in the *Guardian* of August 05, 1994 at page 23:

“Man freed after matter called 38 times in court.

He was charged with damaging six telephone lines in Port of Spain on September 28, 1991 and he had the case dismissed because the police prosecutor had failed to serve the prosecution witness properly.”

After 38 appearances in court. As I said it is not only the criminal cases. It appears that files are still disappearing from the Registry. I do not know if they have been found and I refer to the *Mirror* of November 3, 1994 at page three.

“Crane Files disappear”

The dissatisfaction at the level of the magistracy continues and I refer to the *Mirror* of November 18, 1994:

“Fed-up Magistrates want to Quit”

There are several of these clippings and what is clear, despite the talk during the past year about the administration of justice—and I want to quote from the editorial of Friday November 04, 1991 of the *Guardian*.

“Any doubt the administration of justice is in a state of chaos would have been removed by the fiasco on Tuesday when 95 criminal cases had to be

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postponed because no police vehicles were available to take the accused persons to court.

Five magistrates' courts were affected by this situation and the result will further clog an already overburdened system as the new and the old cases pile up on the lists.

This country is familiar with the statements coming from the police that they are unable to investigate calls from citizens because they have no means of getting there"

And, so it continues. It goes on to speak of other cases.

For example, there was the recent case of a man held on a criminal charge, who wanted to plead guilty from the outset. He could not do so, presumably for legal reasons, at the preliminary hearing and when he finally was able to tell this to the judge it was seven years after the event.

In other words, it took a man who wanted to plead guilty to an offence a total of seven years to do so and it is not surprising that he was allowed to escape further punishment, having gone through enough agony already.

The editorial continues:

"In another case, a man was found not guilty of an offence for which he had been charged in 1980. The case was heard this year, 14 years later, and all this time the man had the charges hanging over his head."

These cases are merely the tips of a legal iceberg which is making it difficult to prosecute successfully, people who have committed crimes but who are presumed innocent until a verdict is given.

It also makes life awesome for persons who are convinced of their innocence but find it impossible to win a speedy hearing and hopefully a decision in their favour.

The layman is bemused by what is happening in our courts. Lawyers genuinely interested in the even-handed dispensing of justice, no doubt, are equally disturbed.

What is needed is a thorough overhaul of the court system, the removal of all the impediments to the proper administration of justice and the early implementation of all those proposals for improvement of the system which have been gathering dust in some government office for so many years."

This is where we come back to the famous *Gurley Report*.

"The report commissioned by the Government was laid in Parliament in September of 1992.

My information is that though at first willing to have that report debated in Parliament, Government subsequently refused to do so claiming that it had been sent to various departments for implementation. Many recommendations were contained in that *Gurley Report*. If one simple recommendation out of this report had been implemented, that fiasco about 95 prisoners not being able to come to court would quite easily have been dealt with then, so that it would have, in future, freed vehicles and police officers from that job. I refer to the *Gurley Report* at page 60:

"On a weekly basis, between 400 to 500 prisoners are transported from the Remand Yard to the various Courts throughout the country in vehicles which seat 16. This employs a great deal of resources, both human and financial, and takes careful planning for its efficient execution.

Any degree of failure in such a system, leads to prisoners not attending Court hearings and their matters adjourned in absentia. Such failures naturally are a frequent occurrence in the existing system and the proceedings of many Courts are brought to a halt very early in the day. Added to that, most of the prisoners are transported to the Court only to be remanded for the statutory ten day period."

And the recommendation was inter alia:

"That a Magistrates' Court building be constructed adjacent to the Remand Yard at Arouca. The building should be large enough to accommodate at least three Magistrates, whose jurisdiction will be the hearing of any matter in which the accused/defendant is in custody either as a result of having being denied bail or not having had his bail taken."

3.50 p.m.

In this Senate, quite recently, legislation was brought to allow the DPP to transfer cases from one summary court to another, so enabling legislation is there already. How much would it cost to put that structure and to prevent, from thereafter, the fiasco that took place earlier this year; the fiasco that may take place on other occasions and continue to take place? It is a simple recommendation of that *Gurley Report*. I do not see anything in the budget with respect to that. It is my respectful view that consideration should be given to that

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particular recommendation. Not only would it speed up the administration of justice, but it would also assist in freeing up vehicles and police for other police work.

With respect to courthouses, I see in the development programme for the Ministry of Legal Affairs, the bulk of the money will be spent on the Arima Court and the other part of it at Chaguaramas.

We are happy to see that after that report was submitted, additional judges have been appointed, but again, we say, whilst the judges are there, the problem still remains. The bottleneck is still there. What is happening is that there are two appeal courts sitting in Port of Spain. These courts are concentrating on the criminal matters, again, perhaps in a bid to meet over the five-year period set by the Pratt and Morgan judgment. What that means for civil appeals is that they are just not dealt with. My colleague has informed that there are 400 of them. Civil appeals, forget them! There are two appeal courts with the emphasis on the criminal matters.

Earlier this year, at the opening of the law term, the Chief Justice called for an additional criminal court. I hope that some consideration would be given to this as well, because the bottleneck is there. Whilst there are more judges sitting at the High Court level, what is going to happen with the appeals? There are only two courts that are sitting and the bottleneck continues.

Whilst we were happy to see that the paper committals legislation for the indictable offences have been made law, again, what is going to happen is another bottleneck. Whilst all these matters are freed from the magistrates' court by having the paper committals, where are we sending them? They go to the Assizes and again these are limited courts. The bottleneck, again, is going to be there. Fair enough, we cannot do everything, but it is my respectful view, once again, that the bottlenecks of the delays in the administration of justice are not being given adequate consideration.

In fact, in the allocation for the Ministry of Legal Affairs, whilst it does reflect some increase, one should note on page 114 of the *Draft Estimates of Expenditure 1995*, that in the development programme, the sum allocated was approximately \$3.8 million which represents an increase of \$1.8 million. When we look at the *Estimates for Recurrent Expenditure*, approximately \$34.5 million was allocated with an increase of \$3 million, in 1995. When we look at personnel expenditure, we see \$3.6 million allocated there. I ask again: What part of this figure is for new personnel if any at all, and what part, if any, is for arrears with respect to

personnel? With respect to judicial personnel for the Judiciary—16 puisne judges, have been proposed for 1995. From what I can see there is no increase with respect to the Judiciary.

When we look at figures as a whole, and I talk about page 10 of the *Draft Estimates of Expenditure, 1995*, it is interesting to note that there is an increase of approximately \$9.9 million being allocated to the Judiciary. If we look at where this additional money is to be spent, we would see again, that a large block of it, \$3.2 million, goes to personnel. Again, the question is: Is it for new personnel or arrears? What is it for?

For goods and services, the sum of approximately \$5.7 million has been allocated. This is an increase. When I look at the development programme with respect to the Judiciary as well, I find it very strange that figures were allocated for a computerization desk top publishing system.

I did not see any allocation with respect to computerization of the Land Registry. I respectfully ask whether that has been fully computerized. There was an allocation in 1993; there was nothing in 1994 and 1995. What is this desk top publishing system? A large sum is going to be allocated towards that. It might be quite helpful and useful for the administration of justice.

What is happening with the Land Registry? What is happening with respect to all the land law in this country? So much of it is sitting on statute books—and I am sure it has been said here many times—not proclaimed. In my respectful view, the land law of this country is also in a chaotic state. If that is to be brought into line, the legislation would have to be addressed, but in terms of budgetary allocations, I should have liked to see something more with respect to what would be happening at the Land Registry.

I see that money is going to be spent on computer aided transcription. We had asked for that. The *Gurley Report* had mentioned this. Whilst it is true that computer-aided transcription is in use in Port of Spain, I am yet to see it at the Supreme court in San Fernando. Again, the criminal jurisdiction has the benefit, and so they are in use there, again, to the disadvantage of the civil courts.

The Chief Justice, in his speech at the opening of the law term in October 1994 was fulsome in his praise of the first five locally trained court reporters in computer-aided transcription who had taken up duties at the High Court in 1993. There was a group of 29 highly-skilled verbatim court reporters, many with 20 years' experience who were put on a partly-USAID funded two-year training course at John Donaldson.

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The purpose of this course was to increase their speed to 225 words per minute. The course itself was conducted by Educorp Limited from USA. It appears that the course was not totally successful.

After a few months only 13 of the 29 were recommended to continue, the others having failed to reach the required speed. The PSA intervened and following a meeting with Dr. Draper, the suspended trainees were reinstated briefly, then taken off the course and eventually offered alternative stenotype training.

4.00 p.m.

A UWI investigation followed and recommendations were made. Eventually only five of the qualified are being used in court, together with three American reporters.

Since January 1993, 11 women, all of whom are verbatim reporters have been reporting for work daily. No courts are allocated so that they can record proceedings. They have even been refused paper and machines so that they cannot transcribe their notes of evidence. It is my information that this situation continues up to today. This presumably explains the Chief Justice's cryptic comment on the subject of computer-aided transcription.

It is a most laborious task for anyone, and I would ask you, Mr. President, to imagine that you were required to take notes of every word that was said by speakers in this Senate. That is what a Justice of the High Court is required to do. In San Fernando, he is still doing it. He must write the words of every person who appears before him—the witnesses and the attorneys.

So it was that we welcomed the computer-aided transcriptions. But where are they? Why have they not reached the courts? What is happening with them? I hope that the hon. Minister who stands in for the Attorney General could perhaps shed some light on that whole business of computer-aided transcription. I have seen it work once in San Fernando, when it was specially requested by a judge, and it is marvellous what it can do. It will go a long way in speeding up the administration of justice.

We can go on and on about recommendations which have not yet been implemented, and there is nothing which says that they will be implemented. To short-cut all of that, I would respectfully ask that the Minister again look at the *Gurley Report*. Look at the report! Perhaps bring it to Parliament to be debated. I do not know why it was never debated. *[Interruption]* Very well, I shall take the

Minister's advice, but I would hope that before I do, and to prevent that time, it would be looked at. The report was presented to Government; the recommendations are sound and should be implemented if we are serious about dealing with the difficulties we are experiencing in the administration of justice.

Before I go, I would like to say that when my Friend Sen. Carol Mahadeo spoke about police stations and courthouses yesterday, she mentioned the Sangre Grande court. It is interesting to note that in an article in the *Sunday Mirror* on the 21st—[*Interruption*] Mr. President, I believe that this Senate is rude with respect to interruptions.

Mr. President: Please give the Senator a chance to be heard. Also, give the reporter and those Senators who wish to listen, a better chance to hear what is being said.

Sen. K. Persad-Bissessar: Thank you very much, Mr. President. It must work on both sides.

It is interesting to note that in an article in the *Sunday Mirror* on August 21, 1994, the Couva Magistrates' Court was described as an increasingly dangerous place to be. In reporting that the ceiling had collapsed on two clerical officers, it took perhaps the Leader of the Opposition to appear in that court immediately thereafter for the roof to be fixed. Perhaps, that is what is needed in Sangre Grande, Toco/Manzanilla and at the Toco Magistrates' Court as well, because they remain in a totally dilapidated state.

Again I say, from capital development I do not see any other magistrates' court, apart from Chaguaramas, being allocated money for repairs. What is happening to Siparia? What is happening to Toco? What is happening to Sangre Grande?

We have had what we call white elephants. We talk about megalomania and delusions of grandeur, so we put huge sums of money into one structure, when we could take some of that money and try to assist in all these areas. I do not know when last the hon. Minister has been to the county courts, for most of them are in a really dilapidated condition.

I want to refer—I do not know if one can even call it a room or courthouse—to the place which houses the Rent Board which reviews rents for land tenants in San Fernando. I would ask the hon. Attorney General and Minister of Legal Affairs to go or send someone, because it is a place which has no ventilation. With respect, it appears to be on the doorstep of the washroom. It is a tiny place.

There are windows all around and one cannot hear oneself or anyone else. The board sits there on an afternoon when the sun comes in.

Further, on the other side of the road where the new Supreme Court for San Fernando has been built, there are empty courtrooms at 1.30 p.m. I would say that it would cost us nothing to relocate that courtroom. It is not always that we do not have the money or enough money, this problem that can certainly be dealt with. For the courts, I am saying, small amounts of money are needed to fix roofs and ceilings in the short term until moneys can be found for larger projects.

Before I go, I would like to say to my Friend on the other side, Sen. Ainsley Mark, that there is absolutely nothing wrong if Sen. Wade Mark's children go to UWI. I myself went to UWI. Many of us here went there. There is absolutely nothing wrong with attending that university.

4.10 p.m

Sen. A. Mark: Mr. President, on a point of clarification, I never said that there was anything wrong with the University of the West Indies. Everyone here will know that I spent some 21 years of my professional life associated with that institution. And that is the same institution my sons are attending.

Sen. K. Bissessar: I will repeat again, Mr. President, that there is nothing wrong with Sen. Wade Mark's children going to the University of the West Indies, Sen. Ainsley Mark, himself has gone through that institution, there.

Again, with respect, Mr. President, we talk about double speak—I will let it go. The point is there is nothing wrong with UWI. I would say it again because when one looks at the *Hansard* one would see why. The hon. Senator has said that "your children, Sen. Wade Mark, would go to the University of the West Indies and I am sure they would be in good hands".

If we look at the lack of information on the entire divestment programme—and we have gone through that for days, sometimes in the night—

Mr. President: I should like to inform you, hon. Senator, that you started your extra 15 minutes at 4.00 p.m., so you now have 5 minutes more.

Sen. K. Bissessar: Thank you, Mr. President.

The lack of information on that divestment programme—and when we look at today's editorial—I think it was Sen. Daly who pointed out those two editorials—we are still very concerned and so it is that when Members on this side speak it is because we are all concerned. I would like to make that point and I have said it

before. It is not simply to shake heads and say forget it, it is just these people here, it is not important. I ask that the Government listen and take note, because as Shylock said in the *Merchant of Venice*, "if you prick us do we not bleed, if you tickle us, do we not laugh?" And he went on to ask: "and if wrong us, shall we not revenge?"

And so it is we speak not of vengeance or violence; but the voice of the people, we have always said, is the voice of God. This Senate, was established in 1961 shortly before we got our Independence; bicameral legislature was set up, I believe then, as now, the Government remains committed to parliamentary democracy and I am sure that they would all agree with that. And so it is when Senators on this side speak, this side too is concerned with the state of the nation.

I want to clear up two misconceptions. Yesterday we were misinterpreted as saying that to make profits is a sin. I would respectfully disagree. There is no way anyone on this side could ever say or think that making profits is a sin. Also, the impression is being created that we on this side are attacking big business, that all businessmen are drug lords and mafia men. That is the erroneous impression, I repeat, that is being created about this side of the Senate and I respectfully ask Senators opposite to take note, because none of us who are businessmen would say, "make no profits."

Mr. President, I thank you as everyone else has done; I trust that this Christmas would bring joy and happiness to you, your family and all Members of this Senate and that in 1995, through the Minister, we would indeed achieve that global city which he speaks about.

I thank you very much.

Sen. Pundit Ramcharan Gosine: Mr. President it is with great pleasure and a sense of pride that I rise to give my support to the Bill before us.

I wish to congratulate the very talented and wise Minister of Finance for his brilliant presentation of a good budget, a budget which for the first time did not seek to increase taxes but instead to reduce them. For example, corporation tax is to be reduced from 45 per cent to 38 per cent, a difference of 7 per cent, while the incremental profits tax of 30 per cent introduced in 1994 will be removed. This measure, and other incentives to investment will allow for expansion and/or further development leading to the creation of more goods and services and the creation of new employment.

On the low income level, there is a poverty escape valve for persons with disposable incomes between \$16,000 and \$20,000, that is when chargeable

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income exceeds \$16,000 is reduced at the rate of 15 per cent on every additional dollar over \$16,000 up to the limit of \$20,000.

In addition, the tax on chargeable income in excess of \$20,000, but under \$40,000, has been reduced from 35 per cent to 33 per cent and the tax on chargeable income in excess of \$40,000 has been reduced from 40 per cent to 38 per cent. This budget has caused everyone to breathe a sigh of relief. People are happy with this budget. The confidence of the Minister of Finance and this Government in the performance of the economy is gradually trickling down to every member of the population.

It is this confidence in Government's leadership and the growth being experienced in the economy that everywhere people are saying, "The driver driving good." Preliminary data indicates that there is real growth in GDP of 4 per cent. I wish to point out that even if in the final analysis the real growth is 3.5 per cent, there is still cause for rejoicing as our economy had been experiencing zero and negative growth over the last decade or so.

What is really remarkable is the patience, determination and the austerity of the Government and the people of Trinidad and Tobago—minus a few—and their confidence in the policies and measures which were put in place to bring a turnaround of the economy. That turnaround is here. The population is learning and experiencing that the goods and services that we produce must be second to none in quality, and the price must also be right. The days are going fast for the parasitic non-performers in our economy and for those who try to hoodwink the population by seeking to talk about disparity in wages and salaries between clerks and CEOs or Ministers of Government.

Is the other side saying that if it were in Government the margin of disparity between clerks and CEOs would be reduced? Or that there would be one level of wages for all persons in the workforce without consideration for type of job, job performance and so forth? That a doctor and a labourer would receive the same pay packet at the end of the month?

I want to borrow a sentence from Sen. Dr. St. Cyr's contribution yesterday where he said that, "any truth taken to the extreme can lead to error". I believe that great error was created when Sen. Wade Mark sought to emphasize the disparities in wages and salaries between high and low income earners.

4.20 p.m.

I wish to deal with another statement of Sen. Wade Mark where he stated that this Government believes in "grow first and feed the people later."

I like that statement because it emphasizes discipline and austerity. It fits a responsible and pro-active Government well; a Government which is fully aware of its responsibilities in making the economy grow and in the creation of wealth.

I want to share with this Senate the austerity of Hindus who reverence the cow and whose sustenance was assured because of this reverence. The cow is sacred to the Hindu because it provides for the well-being of the family in every way. The cow provides milk from which curds, butter, cheese, ghee, dahi and so forth are made, besides providing milk—good, wholesome and nourishing milk for the entire family.

The cow through procreation also provides the heifer and the bullock—the heifer to continue in the tradition of her mother while the bullock is used to till the fields. So that the cow represents the wealth of the family. It is a symbol of that wealth and one must understand this. *Gobar* or the dung of the cow is dried and used as fuel.

There is prosperity in the family. In Trinidad and Tobago there are many professionals, such as doctors and lawyers who owe their profession and well-being to family austerity based on the reverence to the cow.

If on the other hand, a starving family should decide to kill and eat the cow—they would have satisfied their hunger for one or two days only, and by the third day they would be starving again with no hope because the cow would be no more. The living cow, at least, represents the hope of prosperity, that food will be on the table.

In this presentation the sacred cow is our stock of wealth. We cannot draw-down too fast to feed the nation. We have to increase our wealth and our production; we have to increase our stock and allow the economy to grow. In that growth there are shares for all: for the poor, the vulnerable and the disadvantaged. We must understand that there is a greater share for the creators of the wealth, the entrepreneur, representing payment for their entrepreneurial skills and for the fact that through the creation of more wealth the nation remains properly fed, clothed, housed and happy. And most importantly, sustainable employment can be created.

It is through this growth in the economy that Government can increase its spending on social services. For example, Government proposes to spend in 1995 a total of \$369 million on the rehabilitation of social infrastructure and the provision of a new system of integrated social service delivery.

In 1994 the cost of old age pension was \$270 million and the number of recipients was approximately 60,000 persons. This represents approximately 80

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per cent of the population 65 years and over. The other 20 per cent or 15,000 persons not receiving old age pension are those who are in excess of \$5,000 limit, and of course, those persons who are in receipt of other kinds of pensions such as Government and other sources.

In addition to old age pension payments, in 1994 the Government through the Minister of Social Development provided the sum of \$54 million in social assistance payments to approximately 26,000 persons.

There are other social relief payments which include: food subsidy, \$89 million; feeding programme for the needy and unemployed, \$8 million; share programme in which hampers were delivered to approximately 6,556 families. In all of these it can be argued that the budget did not provide any additional relief; for example, there was no increase in old age pension, social assistance as was mentioned by Sen. Kamla Persad-Bissessar. This is true in a direct way, but indirectly, because of the coming on stream of other measures, the dollar value to these persons and all citizens would increase in 1995.

I now refer to the removal of the import surcharge and the stamp duty. In the *Guardian* of Tuesday, November 29, 1994, the headline read:

"Lower grocery prices coming"

We did not say that. The Government did not decree lower grocery prices. What we did, through sound economic and investment policies, through trade liberalization, was to provide the environment for lower prices as a result of our policies. With your permission I wish to read into the records the following excerpts:

4.30 p.m.

Government's new system of integrated social services delivery will also provide for foster care homes for abused and abandoned children. These foster care homes will be for those children who should not be sent to children's homes. In fact, in most cases, their stay in foster homes will be temporary. One such home in the South run by a non-governmental organization is being treated as a pilot project by the Ministry of Social Development.

Within the school system Government will provide child counsellors and psychologists to ascertain and treat early such problems as may arise, paving the way for better child care and education, coupled with a high standard of mental and physical health. The Ministry of Social Development will also provide counselling and training in marketable skills for persons in receipt of social

assistance. The attempt would be at rehabilitation and the encouragement of self-reliance and development of self-esteem.

Any responsible citizen of our country would realize from our programmes for the socially vulnerable and the disadvantaged, as well as low income earners who pay no taxes—up to \$16,000 of disposable income—that this Government is a very caring one. Not only is it a caring Government, but it is also a strict and stringent Government bent on creating self-reliance in our people; the encouragement of savings and the building of a solid economic base to sustain our social development well into the future—building of a healthy, educated, well-trained and equipped labour force.

Sen. Rooks, yesterday, commented on a statement on page 13 of the budget statement which reads as follows:

"In the area of health, the emphasis will shift from secondary to primary health care and will incorporate a blend of public and private participation in the delivery of health-care services."

Sen. Rooks' comment was that in his opinion this was a retrograde step and that we should be looking at tertiary medicine instead. I believe that Sen. Rooks misunderstood the statement and I shall try to explain the situation to him as well as for the record.

May I quote from a document from the Commonwealth Secretariat entitled: *The Use of Para-medicals for Primary Health Care in the Commonwealth*. It says:

"There are a number of elaborate yet unsatisfactory 'definitions' of the concept of primary health care. For our purposes primary health care, simply put, is health care which can be diagnosed and treated on an ambulant basis. The words health care, of course, have a very broad application and encompass a number of activities which are easily recognized as health-related. Sanitation and water purification are examples. We will not devote attention to these. Our interest centres on health care given to individuals. As the survey progresses it will become apparent that what we are discussing is, for the most part, the 'medical' aspects of health care—'primary medical health care' if you will."

The recent meeting at Alma Ata on primary health care sought to indicate that there should be health care for all by the year 2000.

It goes on:

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"... will probably remain illusory well into the next century. Goals are one thing; methods of achieving these goals quite another. The strategy developed at Alma Ata on primary health care was prefigured by discussions at the Fourth Commonwealth Medical Conference. There one of the leading papers said of the development of health care programmes:

This is where we have emphasized primary health care—

"First priority should go to the delivery of primary medical and health care at village and neighbourhood level. Much sickness today is relatively easily diagnosed and routinely treated -- indeed in a sophisticated society is self-diagnosed and self-medicated at the local drug store or pharmacy."

The point I want to make is that primary healthcare is cheaper. It will prevent people from going into secondary institutions for an illness that can be treated by paramedicals, or even by themselves, using the facilities that will be provided when that comes into focus. This is not to deny that we are not into tertiary education because—and this was stated in the White Paper on Health Decentralization, which most of us are familiar with—the Mount Hope Medical Complex will deal with tertiary medicine.

In providing a sound economic base for further generations, the Government is very mindful of the protection of the environment. It is my view that the test of Government's policy direction must come from the comments of the people involved in the particular area. In this case we should turn to the comments of the environmentalists on the budget proposals. I therefore, refer to an article in the *Trinidad Guardian* of Monday, November 28, 1994 written by Tanya Western and captioned: "Environmentalists happy with policy in Budget '95". It says:

"Environmental activists have responded positively to the inclusion of an environmental policy in the 1995 Budget.

In his speech Finance Minister Wendell Mottley noted that 'Government must take into consideration the environmental hazards which invariably accompany economic development.' Mottley brought up the issues of environmental management, land use, pollution control standards and the link between tourism and the environment.

'It is enlightening to have a statement on the environment in the Budget statement, commented Karilyn Shephard, Director of the Pointe-a-Pierre Wild Fowl Trust.

She continued: 'And it is hopeful to hear mention of the Environmental Management Bill, especially if it is laid without much dilution. This sends a

signal about the seriousness of the management of natural resources that will produce a balance between the environment and development.

Sylvia Kacal, an environmental consultant, also noted that 'some very positive points were made concerning environmental protection in the 1995 Budget statement.

The policy statement about the protection of the environment through legal, regulatory and institutional strengthening are a welcome beginning to the solution of the country's environmental problems, especially in the areas of land use and pollution.'

She added that 'the direction being taken toward flood prevention and the Master Tourism Plan is also positive. And the initiatives towards human resources and small business development are integral parts of the sustainable development package.'

Kacal also felt heartened that 'part of the current loan budget is to be used not only for drafting the plan but also for implementation of the pollution regulatory standards.'"

It goes on:

"Christine Allahar, managing director of Rapid Environment Assessment Ltd., echoed many of these sentiments. She noted that it was good to see Government linking development to the environment.

With regard to the overlap between the EMA and the draft planning act, Allahar said she hopes 'the draft Urban and Regional Planning Act (Rural) would be released before the EMA is enacted.'

It was a pity, she added, that the Forestry Wildlife and National Parks Act was not reintroduced as well since, she said, 'it is as equally important as the Urban Land Use Act and the Environmental Management Bill.'"

May I assure environmentalists and citizens that the concerns mentioned are noted and that they will be referred to and considered as Government implements its programmes and projects for the economic, social and healthy development of Trinidad and Tobago, as the Government seeks to get the job done.

Finally, this budget engenders the confidence known by this Government and the Minister of Finance in turning around the economy and putting it solidly on a growth path to wealth creation and a better standard of living for all citizens. This confidence now seems to be permeating throughout the citizenry, a confidence

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which augurs well for the future well-being and the continued positive growth of our nation.

Mr. President, I now extend to you, Sir, your family, my colleagues, this honourable Senate and their families a very holy and auspicious Christmas and a bright and prosperous trouble-free 1995.

Mr. President: Hon. Senators, the sitting is suspended for half of an hour. The Senate will resume at 5.10 p.m. at which time Sen. Prof. John Spence will join the debate, followed by the Minister of Agriculture, Land and Marine Resources, then Sen. Carol Merritt and, if time permits, Sen. Dean.

4.40 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Sen. Prof. John Spence: Mr. President, I rise to speak on the Bill to provide for the service of Trinidad and Tobago for the year ending December 31, 1995.

Sir, in general terms my position will be very much the same as many of the previous speakers, in that I consider that the Minister of Finance has done a very good job in juggling the various balls, as he put it himself, with respect to the relief in some areas of taxes and the imposition of taxes in other areas in the budget. But I think one must recognize, as other speakers have said, that the budget is just one step in a continuous process.

I certainly give the Government high marks for the way it has managed to maintain a steady stability in the economy; in making a proper balance in the various important parameters; fiscal balance and the foreign exchange balance. So it seems to me that it has done a good job in making sure that we keep a stable boat—that, has been the case, undoubtedly. Where one may perhaps differ with the Government is a matter of whether it has done enough to move forward in certain sectors. Certainly, with respect to the petroleum sector it seems to have done a very good job in getting in foreign investment.

I would like to touch on three issues. Firstly, as one would expect, the agricultural sector. I would just say a little about education and then make a few comments on the general economic thrust of the Government. In effect, these are the three areas on which I usually make some comments in the budget debate.

It is very difficult, after one's seventh, going on to one's eighth budget debate—especially when matters that one has been urging over the years do not seem to have been taken forward—to find new things to say, because one still feels that many of the measures one has been urging need to be taken.

One of the problems I have with the agricultural sector and the budget presentation is that I cannot match the statements made in the budget with respect to the buoyancy of the sector, with the data that I get from the Central Bank's *Quarterly Economic Bulletin*. The Minister of Finance in his Budget Speech has said that total output in the agricultural sector increased by just under 12 per cent led by the sugar sector where real output expanded by 28.5 per cent.

Now clearly there was expansion in the sugar sector because the production of sugar increased from, I think, 109,000 tons to 127,000 tons. But if one looks at the *Quarterly Economic Bulletin*, June 1994, one sees statement on page 2:

"The Agriculture sector registered its third consecutive quarterly contraction, largely on account of lower citrus and rice production."

Then if one goes to Table 1—Quarterly Real GDP (Factor Cost) Growth Rates (Seasonally Adjusted 1988—1994), it goes up to Quarter II of 1994. If we look at 1993, fourth quarter, growth: -0.9; 1994, first quarter: -5.6; second quarter: -4.9.

So how does the Minister of Finance's statement reconcile these figures? And he made that statement again in his presentation to the Senate, where he said that the agricultural sector grew by 11.6 per cent. It is possible that there was a great jump in agricultural production from the end of June, but this surprises me because most of our harvesting is done in the dry season and one would expect very little production after June.

This morning I contacted the Central Bank to try to determine whether figures were available for the next quarter. I thought, perhaps, they had their next quarterly bulletin in readiness, perhaps, published but not yet distributed, and the Government might have had access to that. I was told that, in fact, the next quarterly bulletin is not yet available and the data is not yet ready. They could not give me any figures to the end of September, so perhaps the hon. Minister, or the hon. Minister in the Ministry of Finance will help with this point when he comes to his winding-up.

The hon. Minister of Agriculture, Land and Marine Resources is reported in the *Saturday Express* of December 3, 1994, as stating that there has been expansion in many areas, and he discussed exports of many different commodities. Apparently, this was very well hailed by the whole Government side, because there was loud thumping of desks.

Again, in this area, I have done a little investigation and in looking at the figures—even without investigation—one can determine that in the case of root

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crops—he gives export figures for dasheen, yams, eddoes, sweet potatoes and the like. I will not bore the Senate by repeating the figures. The total production by way of exports the Minister has referred to would be produced on less than five acres of land. I said it in that way because I want to indicate the sort of production and export figures we are talking about. Five acres of land. Is that what we are boasting about and what the Government benches are thumping desks about in respect of export of crops of the short?

The pumpkins are given in money terms, not in weight, so one finds it a little more difficult to make a calculation, but if one adds all the produce he has referred to in this statement, one would, perhaps, get a total—to be generous—of 100 acres. But we have 200,000, perhaps 250,000, acres of arable land. So when we are talking about agricultural production it is really not worth mentioning what people do with five acres or even 100 acres.

But it is even worse than that, because at the same time we were exporting these very small quantities of our agricultural produce, we were importing those same commodities in very much larger quantities. For example, dasheens; in 1993 when the export figures were given by the hon. Minister of some 2,000 kg, we imported 84,000 kg; and we imported over 600,000 kilograms of sweet potatoes. So we import 600,000 kg and we boast about the export—what is it in sweet potatoes? —17,000!

So really, it is very difficult to treat the Government's position on agriculture with any great seriousness when this is the sort of data being produced in order to affirm the Government's progress in the agricultural sector. First of all the *Economic Bulletin* indicates a contraction and the Government is boasting about an expansion, and export data.

5.20 p.m.

In the case of dasheens, the export figures are actually a little greater than the production data given in the *Economic Bulletin*. So I presume what we are doing is importing dasheen from St. Vincent and exporting them to the United States. Perhaps that is a very good entrepreneurial effort, but certainly not to do with agricultural production in Trinidad and Tobago. I have difficulty in understanding why the Government thinks that has any importance to the agricultural sector.

The one area in which there has been some progress is in the sugar industry. Clearly, there has been progress from the position that we were in some years ago, and I give all credit to the Minister and to Caroni (1975) Limited for that progress.

But let us also put that into perspective. This year we produced 127,000 tonnes. In 1975, we produced 200,000 tonnes. This year, the yield per acre, I think, was 21,000. The Minister says that the target is 23,000 tonnes. Our best production was about 29,000 tonnes per acre. The conversion this year was 11.3 tonnes, that is the number of tonnes of cane to make a tonne of sugar. In 1975 it was 10.6 tonnes. So, yes, we have progressed, but we are nowhere near what we were in 1975, 20 years ago.

In the case of citrus, I think there must be some error in the data presented here, because the hon. Minister has quoted figures for citrus—oranges 1,200 tonnes and grapefruit, 990 tonnes. These are very small production figures. Anyway, if one takes the total there, it is about 60,000 crates, by my calculations.

In the 1970s we exported—in addition to whatever citrus we consumed locally—over one million crates of grapefruit. So, really, what are we talking about? Why are we boasting about these very small production increases when, in fact, we are not doing anything as well as we did 20 years ago? In 1975 our exports in sugar paid for 60 per cent of our food imports. This data is in the Rationalization Report which was done in 1979. Today, our sugar exports buy 12.7 per cent of our food imports, because our food imports are about \$1 billion. It may be a little less, so that the percentage may be a little more.

So we are certainly not on the road, even to restoring what we had before, let alone having an agricultural sector which is more vibrant than it was in 1975.

It has been said that we must follow the new global thrust of free trade. Agreed, we have to be aware of what is happening in the rest of the world and we cannot isolate ourselves; we must follow the general path. It really is important the way we set ourselves on that path. For example, the GATT—an agreement which has been talked about so much; it has been discussed in debates in the other place—allows us 10 years in order to reduce on our surcharges which we put into effect when we remove the negative list.

Now the Government has removed the negative list on agricultural produce from January 1, and has placed certain surcharges onto food items in compensation for removal of the negative list. It has been difficult from the budget presentation to determine, in many cases, what those additional charges are. My position is that they would have to be equivalent to subsidies that are being given to those commodities in the countries from which we are likely to import them. I cannot say whether that is being done because I have not got access to the data of the extent of the surcharges. But let us assume that, indeed,

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that is what is being done, we have the possibility of reducing those surcharges over a period of 10 years.

I understand that we intend to reduce them in three years, is it? Because we seem to be under the impression that we have only six years.

According to GATT the industrialized countries have six years, whereas developing countries have 10 years. So if the Government is under that misapprehension, again we have a problem.

In addition, GATT allows you to put into place anti-dumping legislation. That is, legislation that allows you to put on additional duties if the country from which you are importing is, in fact, subsidizing its produce to a certain extent or reducing the price to a certain level in order to capture your market. Why, in heaven's name, are we introducing the regime of liberalization before we have put that legislation in place? We did it in the case of manufacturing, but did we have to do it in the case of agriculture also, which perhaps is an industry less able to protect itself than the manufacturing sector?

I feel particularly strongly about this because during the regime of the last government—I suppose it must have been 1988—I called attention to the need for anti-dumping legislation. I sent copies of the document from the USIS about the position in the United States to the then Minister of Trade. I wrote two letters to the local newspapers.

I have written letters to the newspapers twice in my life. In 1988; on that occasion, I thought it was so important, and recently, over something to do with schools. So certainly, from my point of view, there has been much tardiness on the part of two governments with respect to bringing this legislation into place, and there can be no excuse for that.

So again, we pay, on the one hand, lip service, to interest in the agricultural sector and we do not move to do the things that we need to do and which other countries do. It is not that we are advocating something which we alone should do. We are not setting ourselves apart. We are not putting a protective barrier around ourselves. We are doing exactly what we are allowed to do under the rules of the game and which many other countries have done. Why do we not do it? I wish somebody would explain it to me. Of course, what I would be told then is that it is being put in place; it will be done.

One of the problems with protection as it stands now, with respect to subsidies—we have two forms of protection: one is the protection by way of

tariffs which is replacing the negative list, and the other is by way of help, if you like, by way of subsidies. All credit to the Government for having maintained subsidies on a number of items; a guaranteed minimum price for cocoa; subsidy in coconuts, milk, and so forth; a subsidy in rice, a very generous subsidy in rice. I will come back to that in a while.

However, every time I have spoken on the agricultural sector here, I have made a plea for timely payments of these subsidies. The milk subsidy has improved somewhat. It is now six weeks in arrears. But the coconut subsidy is still one year in arrears. Farmers cannot pay their bills to the bank, even to the Agricultural Development Bank if the subsidies are not paid in time.

In the last budget debate when the Minister of Finance put an extra tariff on milk, I suggested that he should put this into a dedicated fund in the same way that he had done for the tax on gasoline for the roads. Of course, this was not done, and so the subsidies are still in arrears. This is what should be done now with the surcharges. The surcharges that are there to protect the agricultural sector should be put into a special fund so that the subsidies can then be paid on time, as indeed our roads are being fixed.

I certainly believe so. Some people still criticize the problems on the road. But I think that there has been an improvement. They may not yet be perfect, and certainly there are still many very bad roads, but there is definitely an improvement mainly because the money now can come straight to that activity.

I feel that there are five or six issues which we really need to discuss when we are trying to formulate our thrust in the agricultural sector. The first of these is what we have just been touching on, that is, the protection that we give to the industry. This is in accordance with every country in the world. One does not have to repeat this because it is so apparent and often repeated and we have just been discussing it.

5.30 p.m.

The second problem we have in Trinidad and Tobago, which indeed I have been touching on too is the decline in agriculture from the 1970s to now. Clearly, if one has had such a decline in a sector where it is really down to rock bottom—notwithstanding the few bits and pieces that we say are improving—one has to make a deliberate and concerted effort to make a change. That, really is the problem that we have now.

Sure, one would get some entrepreneurs who will do this, that and the other; there will be some people who will export flying fish from Tobago; there are

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some people who will export hot peppers and root crops and the like; there will be some people who will go into horticulture and they will also do some exporting. If one puts all this together, one is talking, perhaps, about a maximum of about 500 acres; what is being done with the rest of the land?

We have to determine what should be done; how it should be done and then make a major thrust. We are now in the position in the agricultural sector which we were in with respect to heavy industries in the early 1970s. It was then that the Government—because it had the financial resources with the oil boom—stepped in and developed the Point Lisas industries. I am quite certain that that development would not have taken place had it not been for Government's intervention.

Of course, we are now in the position of being able to capitalize on those by way of meeting our recurrent indebtedness and the rest of it, so we are benefiting now by selling them, and we are still getting from them because we receive taxes. Nevertheless, those would not have existed for us to benefit from now if the Government had not intervened. We are in a similar situation now and Government must intervene.

How should Government intervene? I suggested two major thrusts. The first thrust came way back in 1979 when we did the rationalization study of the sugar industry. The thrust there was to use Caroni (1975) Limited, not just for producing sugar—which is the emphasis that we seem to be giving it now—but to diversify the agricultural sector by developing a number of other enterprises, but not running them as state farms.

We should make sure that we introduce farmers into the system who would then be able to demonstrate that they could make a profitable business out of the agricultural sector, and then it would have a roll-on effect.

There is one area in which there was such an effect, and that was with rice. There is no doubt that the increase in production in rice that has taken place over the last few years was set off by Caroni (1975) Limited demonstrating how rice can be produced on an intensive, highly mechanized productive system.

There was some increase in the traditional areas of rice production undoubtedly, but the major increase came from developments in the Nariva Swamp. Unfortunately, those were illegal developments by people who went there to squat on large acreages. I have mentioned this repeatedly before now in debates in the Senate when I was speaking on the agricultural sector.

Really, what went wrong there was how we treated that situation, and it goes back to the NAR Government, because I was speaking about that problem in the previous regime. Nobody can say that they did not know that people were squatting in the Nariva Swamp, because I can bring *Hansard* to show that I said it when Brinsley Samaroo was the Minister of Agriculture, and that was all available from then on. So, when this Government came in, they were fully aware of that problem.

How will we tackle that problem? Let us go back a little further. When I was in the Ministry of Agriculture in the 1950s, there was a study of the Nariva Swamp done by ECIAF. When I was at the university in the 1970s, there as a study on the Nariva Swamp done buy the Japanese In the 1980s, when I was still at the university, there was a study done by the Dutch. Each of them indicated a substantial area of land; some 40,000 acres—not the little 400 acres that we have approved—which could have been developed for rice. But, we have not done it for one reason or another.

Now, these entrepreneurs went in and demonstrated that rice could be grown, not just by Caroni (1975) Limited, but commercially with a very high subsidy, a very high price—I would come back to that—and their very intensive systems, fully mechanized combine harvesters and the like. Of course, because it was done by squatting, the drainage systems were not properly developed because the engineers who had studied the system before—actually they had done more detailed development studies—had indicated how it could be done.

When we discovered that there were large acreages being cultivated, what we should then have done was to call those growers in and say, "Look, yes, we agree to the development of this area. No, you cannot go into that area; yes, if you continue to work in this area you must do it in this way and pay for the drainage system that goes in. Further, we are not paying you the same price for the rice that we pay the small growers in Penal, because the price at which we set our rice and the huge subsidy we are paying are based on that system of production."

Caroni (1975) Limited were never paid \$0.89 for their rice, they were paid a lower price. Quite correctly, because they had a different system of production, but these gentlemen, not only were they squatting, but they were being paid the full price. By a private mill which we could not touch. No, by a Government-owned mill. It is a very simple matter to deal with all squatters; not by having legislation, going to the courts, nor by wasting much time, effort and money; but just by saying to the gentlemen, "Sorry, we are not buying your rice." Straightforward. That we did not do.

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Some of the squatters have left, I think some of them are still there. Suppose they all leave? Who pays for the restoration of the swamp if we say it must not be cultivated with rice? The ecology has been destroyed and has to be restored. Who pays? The gentlemen who have now gone? Now, the Government finds the money to pay for that restoration, but why is it not being used to produce rice?—at least those areas that has been advised can be so used. Again, I do not understand.

The way that I think the Government needs to intervene now, I have always felt, since 1979—I have spent one year of my life in that committee—that we should use Caroni (1975) Limited as a main thrust. I want to again repeat—I am sorry; I have repeated it ad nauseam and I will go ahead repeating it until Caroni (1975) Limited is sold to some foreign investor or until it is done. There is 3,000 acres of citrus, why should it be run as a state farm? Praedial larceny is very high in that area; there is now the threat of a virus disease which may mean replacing all the root stocks of those trees with a resistant root stock which can be done by a process called enarching—new root stock is grown adjacent to the parent tree and remove the old one.

Do you think Caroni (1975) Limited is going to spend the money to replace root stock on 3,000 acres of citrus. It is going to be colossal at their wage rates and conditions of service. If it were in the hands of smaller private farmers, I think it could be done. Why do we not cut that 3,000 acres into 50-acre lots? At the present price of citrus a good living can be had on 50 acres of citrus. One can make as much in salary as I, or anyone of us here, do.

It should not be given away; the option for lease should be sold; \$5,000 an acre, \$250,000 for a 50-acre plot; lend the purchaser the money from the Agricultural Development Bank. Their security is the option to lease. So, one can have it two ways: either by the terms of the lease and secondly, by the mortgage.

Now, what has always happened with land distribution is that the wrong people are given. The first process is an independent group to select a set of farmers from which they will be chosen. After that initial selection is made and certain criteria and guidelines, a lottery—or play whe—should be held. Do not just chose after that because there will then be accusations of political bias. And, for heaven's sake, in that group, introduce better qualified people from the university and ECIAF.

We say we are going into a modern agricultural system that has to be competitive with the world, but that cannot be done if the level of education of the

farmers is different from those countries with which we are competing. As part of that process of Government intervention, a mechanism should be devised to somehow—not for throwing out all those people who are there—but introducing into the system, farmers who are better educated.

Now, what have we got to do? We have to be looking for niche markets and forecasting whether one crop is not going to be out for market in five years time because of some other development, so we have to be coming out of that and going into something else. We have to be looking for new technologies because the other people are doing this. We have to be introducing genetically engineered variety because they are doing that also.

5.40 p.m.

Our farmers have to be more sophisticated. That is the second thing that we have to do if we are really going to improve our productivity. We have to do land distribution and we have to increase the level of education of our farmers. But, there is another mechanism that we can now use to stimulate not just the agricultural products which may be exported—because some of what we have been talking about might be exported. Rice is eaten locally. We might be exporting citrus again, or Caroni (1975) Limited might grow cacao.

In 1992 a group of us were invited by the hon. Minister to draw up some plans for cacao which we did, and we suggested much the same proposal, that 5,000 acres should be planted over the next five years—that is five years starting from 1992—and brought into bearing. That process should be given out to contractors to bring them into bearing at a certain time, then they should be leased the same way that we have been discussing about citrus. That, of course, is an export commodity.

We could make a major indent in the food bill and at the same time provide a social service; and also start encouraging the population to have different tastes and improve their nutrition. And, that is through the School Feeding Programme.

The School Feeding Programme is looked upon as a social service. The problem is that the Minister of Finance is looking at his total safety net bill, and in effect, saying, "this is how much I can spend on the School Feeding Programme."

If he looks at it, not on that basis, but as a development thrust, as a way for increasing local food production, then that would be a different kettle of fish altogether. This is what I believe they should do. The School Feeding Programme should be extended, not only to the pre-schools, the primary schools, a few

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secondary schools now, but all the secondary schools and perhaps, the university. Perhaps in some areas you might make a small charge, but basically you are using it as a development thrust and linking it firmly to agricultural production.

When I asked the hon. Minister of Education a question yesterday about the School Feeding Programme his answer to me was, that we cannot buy local mutton because it is more expensive than the imported. That is not the point. He is looking at it from the point of view of a social service and social expenditure. The Minister has to look at it on the basis of creating a menu of locally produced foods and deciding that that is the amount of money we are going to spend on a meal, because that is what it costs to produce it at the moment locally.

When the production increases, the costs are likely to fall because there will be more efficiency when the scale of production goes up. Where does the money come from?

Year after year I make suggestions on the budget. I have never yet made a suggestion without also suggesting where the funds should come from. In my opinion, there was absolutely no need this year to reduce corporation tax. I do not believe that a reduction in corporation tax is going to mean one penny of extra investment locally from local funds. I want the Minister of Finance to set up mechanisms to demonstrate that this is so and come back next year and tell us how much increase he got. I do not believe it. That, according to the Minister of Finance's statement, \$101 million.

My position would be to spend \$173 million on the School Feeding Programme this year, link it strictly to local agricultural production, get a properly balanced diet. Start teaching our people that they must not eat foods that could eventually cause them to end up with coronary problems like myself; and at the same time get the local food production going. That is a second, third or fourth thrust, or whatever it is that I suggest.

Any time you talk about agricultural production in Trinidad and Tobago you have to talk about land distribution because, indeed it is a case that a larger part of the arable land is owned by the Government and the Government does, in fact, have plans for land distribution schemes which we are told about each year.

This goes back to when George Chambers was the Minister of Agriculture, because he called in another member of the university staff and me, and said they did not have enough surveyors to distribute and asked if we could set up a degree programme in surveying at the university. My response was that we did not need a university degree to do surveying. Nevertheless, that was what the Government of Trinidad and Tobago wanted, so that is what we got.

My colleagues in the Surveying Department are frequently upset when I make the point that if we are cutting costs, this is one of the departments that we should close down because we used to produce surveyors at the John Donaldson Institute and I think we can still do so. We are still saying that we cannot distribute the lands because we do not have the surveyors to do it, or some other problem to do with registration. Clearly we have to do that.

But I do not believe that we should just give people land in the belief that they will find something useful to do with it. That is a problem now. The Government is a facilitator, so it will facilitate the process by making the land available.

I am saying that we have not got to that stage yet in the agricultural sector because of the depths to which we have gone. If they had done that in 1975 we might have had half a chance. And if they did it in 1975 and it did not work, it would have been largely because they chose the wrong people to give it to, and perhaps, for political rather than technical reasons.

That is an important factor in the system because much of the private lands is being sold at prices which would make it uneconomic, especially for people who do not have collateral, to obtain the land.

In the budget presentation mention was made also of the Agricultural Development Bank which has been lending large sums in the last year or two. I would ask Sen. Hassim to mention in his contribution how many foreclosures have been made along the way. It is one thing to make the money available, but it is another thing to have an agriculture sector which has everything in place in order for the individual farmer to make a living; and we had discussed the protection earlier.

The next big issue is irrigation and drainage. Yes, the Ministry of Agriculture Land and Marine Resources and indeed the budget statement mention programmes that are in train for dealing with drainage, not so much with irrigation. I really cannot agree with Sen. Ainsely Mark that because there are floods in Mississippi we should have floods in Trinidad and Tobago. And, whereas I know that occasionally there will be very exceptional rains, what happens now in Trinidad and Tobago is not exceptional rain but frequent flooding every time there is a bit of normal rain that occurs two or three days at a time.

Certainly, I support fully the expenditure and the infrastructure for drainage. I think we really need to look at a much larger programme—perhaps, we are, I do know, probably the Minister will tell us—linking drainage to irrigation.

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I have always been impressed with the suggestion made by Mr. John Humphrey to link large catchment areas at the foothills of the Northern Range with the irrigation programme. I am not an engineer, and, perhaps, that is not the best way of doing it.

I understand that when the Caroni Arena Dam was being built the idea was first to build a higher dyke and also to provide water for irrigation. Eventually it was decided to provide the water only for domestic purposes. Since we have a dry season which lasts six months in Trinidad and Tobago, clearly irrigation is an important aspect if we are going to be very competitive, and indeed, compete in this global village.

In parts of the United States, which are dry, irrigation is provided by the government at tremendously subsidized costs. That is the other thing. If we are going to provide that water now, it must be at subsidized costs. One cannot expect the infrastructure that would be put in to be repaid by the farmers who would use the water eventually. Of course, it is subsidies of this sort that we are competing against; It is subsidies of this sort that the Government would have to look into when the anti-dumping legislation comes in place. All of these, in fact, can be used in controlling cheap imports.

5.50 p.m.

We then have the problem of praedial larceny. I have always taken the view that if our agricultural production really comes up to the level that we want it to be, I would expect that the prevalence of praedial larceny not would be much lower. I have come to recognize that farmers consider it such a block to their advancement, that even for that reason, we must treat it seriously.

All the measures that the hon. Minister of National Security is taking for the towns with respect to the vehicles working, additional patrols and all the rest of it, also have to be put in place in the rural areas in order to address praedial larceny. I know it is an overburden, but otherwise, agricultural production would decrease. That is another area that we need to address.

Another statement in the budget presentation which affects the agricultural sector is the partial divestment of Tanteak and National Flour Mills. I think it has been stated that there would, indeed, be new ways of financing the price of rice if National Flour Mills is privatized. I assume that would be put in place before privatization takes place and not after.

I hope that when we are looking at the grading system, we would also look at whether, in fact, the subsidies which are being paid are at the right level. We

would probably get clobbered by the farmers for suggesting that, perhaps, it is too high a level. Certainly it is something that we need to look at. If we attack the quantum of subsidy, it means that if the production expands, then the amount we pay would have to go down. We must look at the efficiency of production in relation to the price we are paying.

With respect to Tanteak, I have never been able to understand what has taken it so long to be implemented. In the last Government, a committee was set up and a number of recommendations were made with respect to state enterprises including Tanteak. There was a special study on Tanteak and it was suggested it should be privatized. I am aware of a number of local entrepreneurs who were willing, at that time, to purchase Tanteak before Caribbean Development Bank loans were processed. They would, at that time, have avoided any foreign exchange loss in having to make a loan from the Development Bank, and they would have taken over the operations of the company.

I do not know who are the preferred purchasers or investors in Tanteak. I think I would make the same plea that Sen. Daly has made, to at least give the local entrepreneurs half a chance to invest in this enterprise. I too am particularly concerned with the seeming position that the local investors do not get a look in. I would go the other way. I would deliberately try to bias it in such a way that the local investors would. I would go out and seek them, not just put the tender out. I would frame the guidelines with a bias.

This has two effects: not only are you meeting the objective of spreading the ownership to a greater degree locally, but you are also allowing the local private sector to get involved in activities that they were not involved in before. That is a learning process and the more you do that, the more would they get involved in additional areas that you now want them but which they do not have the courage, perhaps to take the first step into. Basically, those are my comments on the agricultural sector. I have spoken about it so often before, so no doubt I have repeated myself on more than one occasion. Those are my views for now.

I would, therefore, just like to say a word on education and make a general comment on the economic thrust of the Government. I must say I was very heartened to listen to the Minister of Education and his outline for the education sector. He was certainly speaking like a technocrat Minister in the way that he told us what the plans are. I agreed with a lot of what he had to say.

There is one area in which I would disagree with him. I disagree with a statement that I think was also made in the budget debate. That has to do with

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scholarships. For many years now I have felt that open competitive scholarships are not in the best interests of our educational system as a whole, quite apart from the expense. When I was on the National Advisory Council in the old PNM days, I tried to get these scholarships abolished.

We had a meeting with all secondary school principals, and one principal from a prestige school said to me that before he came to the meeting he was absolutely against any possibility of that at all. He just did not believe in it. Having listened to the discussion that afternoon, he really thought that, perhaps, there was a point.

My problem is that a lot of the distinction that we now make between prestige schools and others arise from the scholarship system. What is the big advertisement for the prestige school? This is what I argued in those days of the National Advisory Council, it must have been in 1977—they would say that one scholarship or two for certain schools.

One of my colleagues on the National Advisory Council argued that the way that one would get over that was to increase the number—dilute it like local brandy. It was then that the scholarships were increased from 10 to 50. It had an exactly reverse effect to what I had intended. In fact, I asked him if he knew what had happened. I told him that he would see the headline in the *Guardian* and *Express* next day, and instead of one scholarship he would see five. Of course, that is exactly what is happening. Nothing has changed.

What are the disadvantages of this system for the very prestige schools themselves? Much of the teaching effort, classroom space and laboratory space that should be going to all the children in the school would go to the scholarship class, to the disadvantage of the other children. That is why a former headmaster of one of these schools could write a letter to the newspapers and say that 10 per cent of his pupils do not even get two O'level passes. That school gets from the first 500 passes—I would venture to suggest—and he blames it on the parents. It is not the parents; it is the school. There may be some factor to parents as well, but that factor goes through the whole set.

We really have to address not only our other schools which are clearly in need of help, but also our prestige schools. For a number of years I have suggested—Sen. Ramesh Deosaran when he was here had a motion about schools and I got him to send a suggestion to the ministry to add this to the study; it is still not being done—that one should look at the performance of 11 plus and O'levels in all the schools, and judge the results of each school based on that forward movement.

I was extremely interested last week when my son who teaches school in England, faxed me an extract from the *Education Supplement* of the *Guardian* newspaper in Britain where they are now looking at what they call value added, not VAT as we know it, but value added in the school. In Britain they are publishing what is called league tables of all the schools. We do not do it formally here, but informally for we publish the O'level, A'level results and the scholarship winners. There the government actually does it; it says this school got these passes and so on and people send their children to the various schools.

What is being pointed out is that this is unfair to many schools. You cannot judge an inner city school that gets disadvantaged pupils by the same number of O'level passes, as you would judge what in our case we would call a prestige school. What you look at is the value that you add to each student from the time he comes in, and the assessments that you make—as the Minister said, in this case, we are going to do continuous assessment—of the progress that is made throughout the school. I venture to suggest that if that is done, some of our so-called prestige schools would not come out very well. Some of our schools that we do not think so well of might come out better.

Of course, each of us thinks that our son is a scholarship winner. It is amazing to me that when you have 10 scholarships, 10 families alone benefit from this system, but yet everybody supports it. I still cannot understand this. Trinidadians have a hang-up on these scholarships. In fact, what we are doing—and this is what I disagree with so much in the budget presentation as well is that we have now agreed to go back.

It was through my efforts with the then Minister of Education, Mr. Pantin, that he agreed not to send the scholarship winners abroad. We are going to take taxpayers' money to send the brightest kids that we can get, not to our own university, but to other people's university. Does that make sense to take the best brains and say you are not going to attend our university, we would send you to another university?

Why do they not go here for their first degrees? Anybody worth his salt who has got a first class or even an upper degree from UWI can get a scholarship to do post graduate studies abroad, not at Government expense, because any number of scholarships are available. I have people working with me; I have had two persons in my division at university with upper seconds working as technicians. One is doing a PhD; she got a scholarship to do her MS in her field, and she got her scholarship to do her PhD. Another one is doing an MSc and is now going to do a

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PhD in the United States. Both were awarded scholarships from various agencies that give scholarships to countries like ours.

6.00 p.m.

I am not suggesting that we have [*Interruption*] at the university. One can do a first degree, postgraduate training and then get on the staff. Sure, they should go abroad, but I say this: a person who goes to a university for his first degree develops a loyalty to that university instead of loyalty to his country.

It is likely these days that a person will do his training in some university abroad. It was not as when I went to university. Then, the concept you were given was that you went there as a colonial for a bit of training to go back home and do things for your country. There was no thought of staying in Britain when I was a student. I did not go to the United States, but now it is different. The likelihood is that the Government will be paying taxpayers' money for pre-school, primary school, secondary school, university and higher degrees and then they will stay abroad. They cannot catch them, so they would not be able to get the money. I think we seriously have to take a look at the scholarship system.

Mr. President, do you know what happens in some of these schools when students are trying to win a scholarship? A bright, intelligent, highly intellectual person will take the same course, sometimes four years running. They do it one year, repeat it because they are too young; as so they repeat it a third and fourth time.

Can you think of anything more damaging to young, bright, intellects than to have them do the same course for four years? It must be wrong, but that is what we are doing, and we think it is a good system. That is the problem I have with the scholarship system and the prestige schools, but I do appreciate what the Minister of Education is doing for the advancement of the system.

I am really very, very pleased to hear that the Government is building a school in Tobago because the study on 11-plus students, which has just been done, has been worked up, and the newspapers have taken up the ethnic issues of it. That is not what is important in the study.

To me, what is absolutely unbelievable is that there are some children who have done very well in the 11-plus examination and are not attending secondary schools, and some who have done very badly and are going. Those who have done well are not attending secondary school because they happen to live in Sangre Grande or Toco and there are no more school places up there and they

could not get placed. I would never have believed it if I had not seen that research result presented.

All these years I have been under the impression—I suppose the whole population—that the 11-plus examination is a fair system where, if a student was among the first few thousands, he automatically got a place. Not so at all! If a child is in Tobago, there is only 50 per cent of the places available. No matter what score the child gets after that first 50 per cent, he or she does not get into a secondary school.

Why do we not pay for those children to come across to Trinidad to go to school if we do not want to spend the money to put up the schools? Why do we not build the school in Tobago? Sure, we are doing it now, but certainly it is a condemnation of past governments for not having corrected that problem, or not having done the study earlier to determine what was wrong. At least I hope that now it will be corrected.

The two main thrusts in the Government's outlook are free trade, privatization—general liberalization of the economy in various ways. We are constantly being told that we are now in a global village; we cannot be inward looking; we cannot be protective; we must look at where we are in the whole arena.

I agree entirely, but if we are doing that we must look at not just what was happening yesterday, but also at what will happen in the future. This is why I was extremely interested when I was in the UK recently and came across a newspaper article which was discussing a new book called *The Trap*. This book is written by an industrialist millionaire, Sir James Goldsmith, and basically in it, Sir James was referring to free trade. Believe it or not! This is what the commentator says:

"Free trade is not a natural condition. Britain's rise to industrial greatness in the 18th and early 19th centuries took place behind tariff walls and strict rules about access to the British market—and it was a similar story for the US, Germany, France, Japan and the new Asian tigers. Historically, rapid industrialisation and employment generation has been associated with a free internal market—with protection from foreign imports."

I would not go through the whole article, but I would just like to make this point. Sir James points out relentlessly that growth has not meant more jobs anywhere in the industrialized world. I was glad to hear the hon. Minister talk about that this year. He did not talk about it last year.

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"... in France over the past 20 years GDP has grown 80 per cent but unemployment has risen from 420,000 to over 5 million ..."

I was very pleased to see in today's *Express* that precisely these views were expressed by the hon. Prime Minister, but in 1990. I do not agree with the Government's views as expressed today.

Mr. Valley: Mr. President, let me assure the hon. Senator that the Prime Minister's views of 1990 remain his views today.

Sen. Prof. J. Spence: I am very relieved to hear that, Mr. President. Certainly if one listens from my vantage point, to presentations from that side about the economic thrust and free trade, never would one think that that was the view of the Government. So I am extremely relieved and pleased to hear it.

If that is indeed the case, why are we removing the negative list from the agri-sector before the protection of the anti-dumping legislation? We believe all of that. We understand the system. We know that we have to protect ourselves when we can. We know there is no such thing as free trade; we know that the others are not playing the game, yet we leave ourselves unprotected. Why are we such dummies?

Mr. Valley: Mr. President, the reality of the situation is that when this government came into office, it met certain obligations which required the removal of the negative list in a hurry. It is this Government which sought and brought an extension of some six months. Senators will remember that the anti-dumping legislation was passed in this Senate. We had regulations, but because the IADB wanted to have another look, those regulations were delayed. I can assure Members that we are working with the Trinidad and Tobago Manufacturers' Association to have those regulations in place as quickly as possible.

Sen. Prof. J. Spence: We have constantly been told in this Parliament that we are not bound—and the hon. Minister of Planning and Development said it very recently—that we have no obligation to any multilateral agency for what we do. It is entirely a matter of our conviction. Fine! I am glad the matter is finally settled. Now we know what the position is. It is not a matter of what we want to do, but that we are forced to do it. Now we will get the protection.

The second area, of course, is privatization. Two things happened in the United Kingdom recently which I think interesting. The Government wanted to privatize the post office, but it was blocked by Conservative Back-benchers. I

want to address this particularly to my colleagues on the other side. Why do we not grow up and become mature like the United Kingdom so that occasionally when some of us do not agree with a Government measure, we stand up and be counted? Of course, the same thing applies to the Opposition when they do not agree with what is being done by their party. Why do they not stand up and be counted?

6.10 p.m.

Now what I would say is this, even if we cannot stand publicly and do it, why do we not put the pressure on privately, because this is what happened in the United Kingdom; it never came to a vote because 12 Conservative Back-benchers went to their Prime Minister and said, look, if you bring that to the Parliament we are not going to vote for it and we are going to lose." So sometimes, see whether you cannot take that stand if you feel strongly, as they did about the Bill. Perhaps you could have done it with the T&TEC Bill.

The other thing that happened—in fact only last night I heard, by speaking to someone on the telephone that the Conservative Party actually lost a vote in the House because they tried to increase the VAT on domestic fuel, gas and oil, and some of their back-benchers voted against it. So there you are, take heart.

The other point I made earlier, we must try to get these privatized enterprises more securely in local hands. Not because we do not like foreign investment, that is not it, but because we want to encourage the local private sector to move into new areas.

Mr. President, to conclude, there is this business of taxes which is part of the thrust. Part of the economic thrust is that we should reduce corporation tax, reduce personal income tax because that money would go into investment. If the Minister in the Ministry of Finance would attend for a minute because I particularly want him to answer this question. Hon. Minister, could I have your attention please? What I have never been able to understand is why we have to reduce taxes across the board. We would like to encourage investment in productive enterprises. We do not want to encourage consumer spending, because that is going to put a drain on the foreign exchange, and indeed, in order to stop that drain we have to have high interest rates, which are in turn stopping investments. Why do we not try and balance it a bit? Why do we not say, all right, for all distributed trades we will keep the corporate tax the same, but for all manufacturing enterprises we would reduce it to 35 per cent or whatever it is. Yes, I would like the economist to tell me, because I have contacted my friend

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and he said it can be done. *[Interruption]* I do not see any reason *[Interruption]* What is the cost? Tell us in your winding-up?

I think that is the way we would get money for the School Feeding Programme, encourage productive enterprises, reduce on consumer spending, allow us to reduce interest rates and have more investments.

The Minister of Agriculture Land and Marine Resources (Dr. The Hon. Keith Rowley): Thank you, Mr. President, for giving me the opportunity to say a few words in this very interesting debate.

For me it is always a pleasure to talk after Sen. Prof. Spence because it makes my life so much easier. I can do myself justice by saying that I agree with most of what he has said, and in fact many of the initiatives being pursued by my ministry are influenced by positions which he would agree with, and also much of which he would have outlined here this evening. That is not to say that I agree with everything.

I accept, Mr. President, that you are reasonable and that you would understand that no matter how similar we are in our dispositions, there are times when we may not see eye to eye on every single issue, and I think that is the case.

I should like to thank Sen. Prof. Spence for putting so lucidly some of the agricultural issues which are before us. I should like to begin my contribution substantially by clarifying the point. When I came in this afternoon—I think Sen. Daly was speaking and subsequent to that I heard Sen. Prof. Spence—I heard the word 'boast' on a few occasions and I was a little put out because I do not know that in stating the case of today, as outlined by the facts as we know them, we can reasonably be deemed to be boasting.

I congratulate the Minister of Finance on an excellent presentation for what in effect is a factual situation. When one does have some good news in a climate pretty close to depression, one really would need to say it in as positive a form as possible. But from the agriculture sector I do not think we could be talking about boasting at all. What in effect we are talking about is what is happening, as against what is said to be happening.

Let me take up the hon. Senator when he dismissed our effort with respect to exports. It is not that we are saying that we are breaking world records in exports in agriculture, but one pound more today than we had yesterday is in fact looking in the right direction. All that we are saying is that two years ago we were not doing this, and because we set about to do more of that we now have some results.

I agree that we are not producing any record-breaking amount of food in this country, but by the same token, while we behave as though we are big, influential, bad and we could change things, in fact, Trinidad and Tobago is a very small community—a small island of 1.3 million people, a very small market—and most of the things that we are going to produce, especially if they are aimed for our own consumption, are going to be in small quantities, in some instances we are not producing any at all.

I would like to—and this is not boasting, this is putting the record straight, because there are persons who might have been misled by comments made by the hyperbole of those who want to give the impression that everything is in such a bad state, that they would not believe that we are doing even as well as the records will show.

If, in fact, in 1991 we were exporting only 3,000 kg of hot peppers worth \$17,000 and because we say, "Look, there are niche markets abroad for this produce, let us produce more of it," and by 1993 we were producing 1.4 million kg I would call that progress. It may very well be that we can produce 50 million kg, but we have moved from 3,000 kg to something significantly higher.

In 1991 we exported 721,000 kg of pumpkin, 1993 two years later, we were exporting 1.4 million kg. Watermelons—in 1991 we exported 12,000 kg, by 1993 we exported half a million kilograms. Shrimp—in 1991 we exported 284,000 kg and that was worth \$5 million, two years later we had doubled that to \$10 million. We exported 750,000 kg of fish in 1991, in 1993 we were exporting almost 3 million kg.

We have in fact made some progress even though, in the overall scheme of things, with all the fish produced in the regions of the world, 3 million kg of fish is not much. But look where we have come from? It may very well be that if we continue in that direction and go out there and fish in the waters around us in a more sensible way—more efficiently and with more effort—we can increase that. All we are saying in this budget is that the numbers show that we are on the right track.

All the warnings I have listened to from Sen. Kamla Persad-Bissessar, she was very careful and she said it over and over, yes, we have made some progress but do not take it as if that is the end of it. Well, not for one minute could any serious person, especially people charged with managing the national fortunes and pointing in a national direction can take the fact that we have seen some progress, say now we can down tools and celebrate. We are not saying that at all; that is not

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what the Minister of Finance is saying; that is not what I am saying, that is not what any of my colleagues are saying.

We are saying that the indices that show the measure of our performance, are positive, and given the background from which we have come, the fact that the indices today are positive, we think should put us in a good mood.

6.20 p.m.

To the extent that growth does not solve our unemployment problem, I would venture to say that we are in a far better position to deal with job creation if we are in a growth situation than if we were in decline. I could be wrong, but that is my understanding of it. We have had eight years—bar two minor spikes—of economic decline in this country. When you look at the numbers year after year you would see that as a country—we even had the benefit of a change in administration and a change in direction—but we had eight years of decline.

SITTING OF THE SENATE

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

Assent indicated.

**APPROPRIATION BILL
(BUDGET)**

Dr. The Hon. K. Rowley: Mr. President, it is in that context we are saying that we have come a long way and we seem to be in a position now, where we are on the path that we have been striving for a long time now.

I also want to make a comment on comparisons—I want to use the sugar example given by Sen. Prof. Spence when he said: "Okay we are making a big thing about producing 127,000 tons of sugar." Yes, it is a big thing. One must understand that five years ago when the sugar industry was analyzed the position of the Government at the time was to reduce production to 75,000 tons, for local consumption only. That was the policy position.

The proposal to reduce production caused a lot of discomfort and at the time we did not agree with it—we were in Opposition then—because even though the sugar industry was in a difficult situation in terms of quantum of effort and importance of agricultural industry, sugar was important. To go only for local consumption 75,000 tons would have been short-sighted. That would have been only to supply local needs and we would have given up the access that we have

for preferential markets for a certain amount of sugar in the European union and the United States.

When we came into office we met a bit of a hiatus in what to do with sugar because that policy was not carried through and there was some vacillation as to where we were going. That is why very early in 1992 we embarked upon an exercise to look at the sugar industry again, and to take a position. The position that this administration took was to reverse that position of 75,000 tons. In fact, look at the overall situation, take our export quotas into account, take our domestic demand into account, take our refining capacity into account and try to fashion a size for the industry.

We came up with a figure of 125,000 tons as against 75,000 tons. What that meant was that we would continue to operate our two factories and we would not have the kind of social and economic dislocation that we would have had if we had gone for 75,000 tons and one factory. That is a major change in policy.

At that time we were producing 100,000 tons of sugar and we said it would take us until 1996 to inch that up to 125,000 tons which was the industry target. We produced 127,000 tons in 1994—two years ahead of schedule, and I think that is something that we should be proud of. I congratulate the workers of Caroni (1975) Limited and all those involved in achieving that target ahead of schedule.

Interestingly enough two things have happened that reinforce the soundness of this position. One is that the parity of our currency has changed. What that has done is make our export quota a profitable operation. Just on the basis of the change in parity of our dollar the 50-odd thousand tons of sugar that we sell abroad is a profitable operation. That is a word that one could not apply to any aspect of Caroni for quite a long time. Secondly, we actively took part in very strong lobbying with the ACP and the region to ensure that we put our two cents in to influence the markets where we have some measure of influence. As Senators might have observed recently, the Chairman of Caroni Limited is now the President of the Sugar Association of the Caribbean.

With Government's support and encouragement we have pushed Caroni personnel out there to argue with other persons on our behalf. In fact, when we hosted the Heads of Government Conference in Trinidad, with Trinidad taking the lead, we asked to have a Head of Government in the Caribbean become a lobbyist for Caribbean sugar. The President of Guyana was so designated and we lobbied for the past two years.

What are we lobbying for? To change a situation where, we all operate under individual country quotas, but if any country falls short that quantum goes into the world market. We are saying if one of our sister countries falls short in the region or in the ACP then that quantum of that quota should be taken up by others. What that does is provide the prospects of us increasing our quota from the existing 50-odd thousand tons. It is very much on the cards now that that can be so. What that means is, as we get more room to export more sugar, the increased production at Caroni can be sold abroad at a profit.

When we make reference to 225,000 tons of sugar in 1974, the question one has to ask is: If we were producing 225,000 tons of sugar now and we have an export quota of only 53,000, after we use our local consumption we would have a significant amount of sugar that we could only dispose of on the world market at a considerable loss. That is why there is a difference between 225,000 tons in 1974 and the 125,000 tons as of 1992's thinking. We should see our performance at Caroni in the context of today's environment and what transpired then and what exists now.

The intervention of Minister Valley cleared up the point about anti dumping. I was surprised that hon. Senators did not have it in the forefront of their minds that we did, in fact, pass anti-dumping legislation. In fact, work on the regulations is almost complete—a lot of work is going on. It is not a problem at this stage because the tariff situation is so structured that for the next year there will be no change in protection level between 1995 under tariff, and 1994 on the negative list. We do not have a problem there as yet, and any misapprehension there, would soon be removed because we would have the regulations promulgated and we would be on our way then.

6.30 p.m.

Sen. Prof. Spence referred to the import tariff and the fund. He said that he mentioned last year that the surcharge on milk should be put into a fund and then paid to the farmers. I do not think that will treat with the problem with which we want to treat, which is to pay the farmers on time. We deliberately did not link the payment to the farmers to the import moneys. What that meant was that until such time as we import there is no money to pay. One has to understand that importation does not take place in January, February and March; it takes place over the entire year. In fact, some of the biggest inflows come at the end of the year, Christmas time.

When we sought to get money from the Ministry of Finance earlier in the year, we got a missive from the bureaucrats who said that they only got dollars

from that money and therefore they can only pay dollars. The ministry had to reply saying, look, the money for the farmer is not as a result of any import surcharge, it is a commitment to a guaranteed price. That is the difference! Whether the money for imports is collected or not, the Government is committed to paying farmers that guaranteed price. Therefore, that is how it has to be seen. And, unfortunately, it is tied in with the Ministry of Finance's cash flow.

I agree with the Senator that we need to ensure that we keep those payments upfront as much as possible. He did acknowledge that the ministry has made some progress with respect to dairy. To have come from being late for one and a half years, to seven weeks, we must admit, it is a considerable improvement. The ministry acknowledges that it is behind time with coconut subsidies and it is hoping to treat with those, as it has just treated with the coffee. The ministry has just paid substantial amounts to the people who produce coffee.

I want to make the point because I have seen it written and I have heard it being said, over and over, that Government is removing subsidies. That is not a correct statement; the Government is committed to maintaining the subsidies to those products which have been subsidized over the years, largely, sugar-cane, cacao, coffee, coconut, citrus, dairy and rice. What has happened is that in the case of rice—the Senator made the point very clearly—one has to understand that as the production increases, the amount of subsidy increases automatically. There were anomalies where rice was being produced in all kinds of ways.

What the ministry has done is committed itself to paying \$17 million in subsidy to rice farmers. The Senator was quite correct when he said that the thinking behind that original subsidy was to support small farmers. We found ourselves supporting farmers who were operating in a way which could not be encouraged.

Being the Minister involved in taking legal action at Nariva, may I clarify the point that it was not that the ministry could have escaped going to court. The issue about going to court was not about the use of land that is earmarked for rice production; it was largely to protect areas which were designated as wildlife sanctuaries. As of now, the ministry has got those people out of those areas which are sanctuaries and persons are still farming on the areas which have been deemed to be ecologically sound for rice.

We are doing exactly what the Senator has suggested. We have identified the persons who are farming; I think there are 17 of them. The approach which the Government is taking is to bring them on board and say that this land is available

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for farming and it will be made available under the land distribution policy which was laid in this Parliament where the land would be made available to farmers, they would pay for the use of those lands and would be governed by the conditions of leases to be had.

I am hoping that in 1995 the ministry can do that so that persons who are farming in the area, where the land is suitable for farming, will continue to farm but they would be doing so as tenants of the state, paying against the policy of a document which was laid in this Parliament. The ministry will not support squatting, lawlessness or bad behaviour. The ministry is hoping to deal with that direction in 1995. We are also extremely firm that there would be zero tolerance with respect to encroachment on areas designated wildlife sanctuaries and wet land preserves.

Sen. Rev. Teelucksingh: Mr. President, may I ask the hon. Minister what mechanisms the Government would be putting in place to make sure that what he is saying will be maintained.

Dr. The Hon. K. Rowley: With respect to the protection of the wetlands and sanctuary?

Sen. Rev. Teelucksingh: Yes.

Dr. The Hon. K. Rowley: It all has to do with monitoring and enforcement. The ministry has to monitor it and as breaches are found the law has to be enforced. There is no other option.

Sen. Rev. Teelucksingh: Are there wardens there?

Dr. The Hon. K. Rowley: Yes, the Forestry Division has a component of staff and there are some volunteers from non-governmental organizations to help us with the monitoring. The biggest problem, naturally is enforcing it. As you know, we are so free in this country that our systems provide almost equal opportunities for the law-breakers as for law-abiding citizens, so it is a bit difficult to get it done, but those are the mechanisms.

Sen. Rev. Teelucksingh: How other people got away in the past?

Dr. The Hon. K. Rowley: I can only speak for myself now.

With respect to drainage, the Government is embarking upon a major national drainage programme which is scheduled to cost \$500 million. The funding for the designs is available. The Ministry of Works and Transport is handling this. I am sure one would not scoff at a \$500 million project which, when executed, would

bring considerable relief and improved water management across the country, benefiting farmers no less than those persons who suffer annual flooding in some of the residential areas.

With respect to the National Flour Mills divestment, Sen. Prof. Spence raised the question of what would happen with the subsidy. The Government has stated that it intends to divest a significant portion of the shares of the National Flour Mills on the local market some time next year.

The Government has already taken steps to relieve the company of paying subsidies, and if one looks at the relevant document one would see provision being made for the subsidies to be paid from the Treasury—which is where the other subsidies are being paid from. So that is taken care of. However, since the management of the product is taking place at the National Flour Mills, they would administer the operation but the Government would pay.

With respect to the point the Senator raised about the grading system, insofar as there is a certain amount of subsidy over the grades of rice, some grades would be paid for at a lower level. That will have to be adjusted as we go along. Basically, what would happen is that farmers will be encouraged to strive to get the highest price by producing a higher grade; which I think is only reasonable. After a little hiccup at the beginning, I think things are working smoothly.

With respect to Tanteak this is an area which is of some concern to me. The Government have already taken a decision to implement the divestment of Tanteak. We are concerned about the fact that the forestry sector is only contributing three per cent to GDP. Studies have shown that it can contribute considerably more, but certain things have to be done to extract that improved performance. The Senator is right: there is some local interest in the forestry sector.

We are in a very good position now with teak, in that we are one of the few countries in the world which has commercial teak plantations, and on the international market, people are becoming more and more environmentally conscious, turning their backs on degradation in countries in the Far East and beginning to insist that they obtain their supplies from sustainable sources—and our teak fields here fall into that category. The ministry has just completed the expansion programme which the Senator mentioned—that \$40 million CDB (Caribbean Development Bank) loan programme. I am scheduled to open the mill next month—this is the last part of the programme—the kiln is operating. What that means is that there will be all the modern facilities to mill more efficiently.

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The ministry would like to use that industry as the basis for a furniture industry rather than export timber or logs. If the ministry encourages the local private sector to get involved rather than operate purely as a state enterprise, a fillip would be given to the forest industry. There are also plans for expanding the area under cultivation. We are talking about planting in the next few years as much as 8,000 hectares of mixed tropical hard woods—not just teak—and next year the ministry hopes to proceed along those lines.

We have been having some discussions and—I am not speaking out of turn—the ministry expects to go on the local market with Tanteak in the not too distant future.

6.40 p.m.

Sen. Prof. Spence mentioned praedial larceny. Very correct. It is one of the areas that have been aggravating me for quite some time. I was very pleased when I saw in today's newspapers that four persons were fined \$8,000 for stealing a few oranges; and I said there is hope yet—at least somebody on the bench takes praedial larceny seriously. It has been the practice for persons to go to court—the few who are caught in this nefarious act—and for the matter to be trivialized.

A family can pay a lot of attention to raising a calf only to have it dragged away by somebody who could not be bothered. Then one goes to court and the impression is it is only a calf, so what? I am extremely pleased that, at least, one person on the bench has seen it fit to throw the book at persons who seek to harvest what they did not sow; and I hope this is the beginning of things to come.

At the level of the Cabinet, we operate a Standing Committee for Agriculture, chaired by the Prime Minister, and it involves several public servants, ministers and persons in the private sector. One of the matters we have addressed in recent months is praedial larceny. We have had it reviewed and a position has been taken. It requires some legislative improvements and so forth, and we hope to proceed along those lines, to strengthen legislation and put in place some improved systems for bringing relief to farmers with respect to this vexed question of praedial larceny.

However, I must say that it is a very difficult thing to eradicate and at the end of the day, security of crops and livestock has to be seen in the same context as security of merchandise. If a farmer has a field, it is only during a portion of the time that the plants are vulnerable. If one has livestock it is all the time, but a person with a shoe store or a garment factory has to factor security of his goods into his operating costs. I think, given the way we are behaving towards one

another, we cannot escape that in the agricultural sector. In fact, in a few areas that I have been, farmers have told me in front of their colleagues that much of the praedial larceny that takes place is carried out by farmer colleagues. I find that very difficult to deal with.

Sen. Ali: Colleagues?

Dr. The Hon. K. Rowley: The Senator did raise some queries about production figures. I do not want to go into details. I simply want to say that I have double-checked that the production in most of the areas of agricultural activity mesh with what the Minister of Finance has said. In fact, the CSO shows that we have had an increase—between the second quarter of 1993 and 1994—of almost 10,000 jobs—9,700. Of course, that raised some eyebrows because if one had listened to what was being said, one might have thought that this could not have happened.

When one looks at the ADB lending one sees it was on the increase; and when one looks at the production in the various sub-sectors, one would see an increase, therefore, one can only assume that it took some more persons to bring about these increases, especially in the area of production in vegetables. With respect to citrus, I do not know what document—

Sen. Prof. Spence: I am sorry to interrupt, but that does not tally with the Central Bank's figures.

Dr. The Hon. K. Rowley: I do not know where the Senator got those figures from, but we are using CSO figures. Something is wrong, because the Senator did say that document says lower citrus and that is up to June of 1994. If that document is dated June 1994, the work would have been even earlier. In 1994 we produced 109,000 crates of grapefruit as against 71,000 the previous year. We produced 152,000 crates of oranges as against 110,000 the previous year. So there can be no question of there being an increase in citrus production.

Of course, he mentioned sugar earlier on. Rice—the figure is correct—there was a decline in the production of rice for a variety of reasons. As we see improvements in the production of root crops, we see a decline in the production of rice. I do not know whether that means that one is replacing the other on the plate. I should not like it being said next year, if this trend continues, that the decline in rice production as a result of trade liberalization, because the figures will show that the decline started since 1992.

In the poultry section we saw an increase in the production of table eggs and slight decreases in the other areas—hatching eggs being reflected in broiler chicks

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and broilers—slight decrease. Again, I think this has to do with consumption patterns, more than anything else. But by and large, we are not suffering from a food shortage. We are making efforts to do two things, one to strengthen our position with our traditional crop, sugar. In fact, in the Budget document one would have seen that we are committing ourselves to a significant capital expenditure in sugar this year. I think the figure is \$45 million in 1995 and that is part of a commitment of \$138 million in capital expenditure on Caroni.

I make this point only to emphasize that, in so far as we have any money now to spend on agriculture, what we are trying to do is to let it have a positive effect. There are some persons who are giving us long-range advice now. It is some of that advice which we have a difficulty with, because there was a time when advice from similar sources was seen as spending on food subsidies and this was a time when people could have bought goods, and advisors to the Government at the time saw the Government spending in 1980, \$229 million; 1981, \$257 million; 1982, \$288 million, and so forth, in food subsidies.

Those developments happened because persons who believe they are the fount of all knowledge advised the Government that if we did not do that, XYZ would happen. However, that stopped in 1989. The last subsidy was paid in 1988 and since then none has been paid, but in earlier years we were paying as much as \$288 million a year in food subsidies. I simply say, if I had \$288 million now to spend on agricultural support, I would be the happiest Minister in the whole Caribbean.

Sen. Prof. Spence: I do not think it is fair for the Government, when things go right, to say "it is our thing" and when they go wrong, it is "expert advice." I am not aware of anybody who advised the Government to have those subsidies—

Dr. The Hon. K. Rowley: I am aware!

Sen. Prof. Spence: They were quite wrong to have those sorts of subsidies, but that was Government policy! Let us be quite clear. In the boom days the thing was to throw money all about, everywhere—so it is not the advice, it is Government policy.

Dr. The Hon. K. Rowley: I think we are saying the same thing, because I can say the same thing. We are spending \$200 million a year on Caroni—and I think I am coming closer to home now—to support recurrent expenditure. I simply ask: Why is it that we were not spending that kind of money to rectify the problem? We are talking now about spending \$138 million and that is going on capital expenditure to improve the factory and the field operation.

That \$138 million will be spent over the next four years—1995, \$45 million; 1996, \$35 million; 1997, \$35 million and 1998, \$23 million. When we spend this money—we have already done the studies to show that this kind of expenditure will result in an improvement in the field and a percentage improvement in juice extraction in the factory. That is how we are spending money now. If we are wrong in doing that, then we will take responsibility for it.

6.50 p.m.

We also are doing a number of other things which involve improved husbandry in the fields and so forth at Caroni to allow farmers to get the best for their efforts, not the least of whom are cane farmers.

Cane farmers are being paid their residual payments now as early as September or August. What that does, firstly, it takes them off the interest rates at the banks, and, secondly, it provides them with a cash flow to go out in their fields and farm better, rather than operate later and do things in a less productive way.

I think we are beginning to see those results. We have also provided cane farmers with 8,000 tonnes of improved planting material which they have planted this year; new varieties of cane; higher yielding varieties, and we expect that next year and the following year that would reflect itself in better harvest and improved tonnes per acre. So it is things of the kind we are doing.

I do not know how much more time I have, Mr. President. May I be advised?

Mr. President: You have 25 minutes.

Dr. The Hon. K. Rowley: I want to touch on the question of the GATT and tariffication. Many Senators said that the Government is following instructions from elsewhere and we are doing certain things to the detriment of the farming or national community, and so forth. Those things sound good in the political arena, but the fact is that it just so happens that certain things are happening at this time. The requirements for these things were not there in 1960, 1970 or 1980. What we are dealing with now is today's situation.

Two years ago, or even one and a half years ago, or in fact, a year ago, we were talking about the possibility of the NAFTA Bloc coming into being and there were those who felt it would not happen; there were those who felt that the Uruguay Round of GATT which took seven years, would never come to conclusion; there were those who felt even if it came to conclusion—only up to last week—that it would not pass the US Senate, and so forth. So all along the way

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there are at least two points of view; those who think that it is here; and those who think that it is not going to come; or those who think that it is coming but we are too anticipatory.

The fact of the matter is that there are some realities in today's world which we have to face and they are going to have significant effects on us, and not all of those effects are going to be positive. What we have to do is to discern where the positives are, discern where the negatives are, and treat with each on its own merits. To hide our heads in the sand and pretend things are not as they are is to be run over at the appointed time. We are seeking to avoid that. We have done things before, and I think there are enough persons who could get up now and say, "I told them that we should not do that."

I distinctly recall, in 1987, one eminent expert in this country, for one week, was making the airwaves and the newsreels in this country, by saying that he had sent a student to somewhere in the United States to verify an amazing discovery which would end up making fertilizer obsolete, because plants would be engineered to use nitrogen fixation processes, and therefore fertilizer plants were a thing of the past; and what a ridiculous thing we were doing by having fertilizer plants in this country. Of course, there were others who knew differently. While we heard that, we treated it for what it was.

Today, we are seeing the benefits of those investments. The market is up and we are also embarking on significant expansion, because at a given point there are those who would seek to paint something in the worst possible way, either because they do not understand it, or because they have a different point of view. While we acknowledge different points of view and while we take into account those points of view, at the end of the day a decision has to be made. There are very few things that we can do in this country that will find the approval of every single person.

So we are not unmindful of the criticisms that come with the policies as we go, but I think, by and large, if looked at logically, one will come to the conclusion that we are doing what we have to do. We may not agree on every single point along the way, because GATT is now a reality. What is GATT?

GATT is a new world trading system, where all the trading parties—and we are one of those; we are a trading country—have agreed that we will use a system of tariffication to govern international trade. It is not a system where you say, "no, you cannot get into my market." It is a simple system of, "I access your market; you access mine."

So GATT is not so much free trade, as it is about market access. I make the point, because, you see, we tried to sell 100,000 cases of condensed milk to our countrymen in Brooklyn. Trinidad and Tobago has the best condensed milk in the world and of course, you know Trinidadians like our things once they go abroad—when they are at home they want somebody else's but when they go abroad they want Carib, condensed milk, “toolum.” We tried to sell them 100,000 cases of condensed milk, only to discover that even though the market was there, even though the condensed milk was available, we had a quota in the United States that was equivalent to half a container load. That was our quota.

That is not free trade. That was a case where the importing country has said, “Okay, that is all you can send in here,” an arbitrary decision. When we asked who was selling there, we discovered that the Dutch were selling in there. We were saying, “all we want is to be able to sell 100,000 cases,” and all the efforts at all the levels, it boiled down to, “you are only allowed to export to us half a container load.” Of course, we did not ship half a container load. By “we”, I mean, our local business house, Nestlé.

What GATT has said now is that, they we do not care who is selling in there; we are going to get our condensed milk into Brooklyn, there is going to be a tariff, which is going to be the same for us and for anyone else.” So if the Trinidadians in Brooklyn want to buy Trinidad and Tobago condensed milk, then by all means they will buy it.

It is not free trade, because the Japanese, only last week, agreed to allow some importation of rice into their country, because to them that was a sticking point. If it was free trade, that would not have arisen. They decided, “look, we are getting into this but we want something for rice.”

We have said the same thing here with our sugar. In the GATT discussions, sugar has come out as a preserve. The sugar producing countries of the world have argued for sugar and we have got away with it, because sugar is now not a part of the protocol and we maintain the regimes for preferential prices, and so on. Even here in Trinidad and Tobago, as we open our markets to agricultural products, we have closed it to sugar. So there is no free trade in sugar in Trinidad and Tobago. But we have moved the other products from a negative list to tariffication.

How did we arrive at the levels of tariff? We employed experts, mostly local experts, some of whom reside here in Trinidad and Tobago; some who resided abroad. We had them look at our situation and at the external source situation and

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arrive at levels of tariff that take into account our internal market levels and costs and our external competitors' conditions.

Another factor that was taken into account is the quantum of local production and, therefore, requirement for protection. These things were done and my colleague mentioned a while ago that when we came into office—again I was surprised that Senators here showed surprise at that. I was not in government when an earlier government obtained I think it was a World Bank loan of \$40 million-odd, and the conditions of that loan were made public. One of those conditions was the dismantling of the negative list. They drew down the money but did not dismantle the negative list.

When we came into office in 1992, we met that conditionality to be done, but no preparation for it. We had to fight for time. We did get some time, and in fact the agricultural sector is only now being brought in line with the rest of the economy in terms of the liberalization process.

7.00 p.m.

So it quite wrong to say that we have opened up the agricultural sector to unbridled competition and that the farming community would collapse. To say that is to ignore the fact that we are part of Caricom. It must have been early last year when there was a special Heads of Government meeting to deal with the common external tariff. In fact, those who were aware of the import of that development were even forecasting that it could even mean the end of Caricom because we could not get any agreement on a common external tariff because Trinidad's interest was not Antigua's interest and so forth.

At the end of the day, right here in Trinidad, we did get agreement on a common external tariff. In that arrangement agricultural products were singled out as extra sensitive. Whereas the position taken with the CET is to move downwards to as low as 20 per cent, the Heads of Government took a position that agricultural products would remain at 40 per cent.

As of now, until such time as there is another meeting, where Caricom decides to lower the tariff on agricultural produce, that is what protects us. If another meeting is to be held where Caricom seeks to review its position with respect to the external environment and tariffication, and we do not agree, then we would have to argue that at that meeting.

Again, the point will be raised, whither goes Caricom? As of now, in the region, in Caricom, of which we are a member, there is the common external

tariff on agricultural produce which will remain in place until something changes it down the road. As of now, we do not see that on the horizon.

What has also happened is that the arrangements with GATT, in preparation for the changed environment, commits one to add additional tariffs over and above the CET. This is what is called 'surcharge'. We have worked out a regime of surcharges, looking at each individual subsector in agriculture, and arrived at figures of tariffication to cover our own circumstances. My ministry will publish these figures in the newspapers soon so everyone can see them and know; this has recently been approved by the Cabinet and is coming into effect on January 1, 1995, but I would give a little briefing.

Let us take vegetables: lettuce, cabbage, cauliflower, tomatoes and so forth. There is the CET of 40 per cent and we have put, on top of that, surcharges starting at 60 per cent in 1995 and falling in subsequent years. In 1995, even though the market will be opened, a pound of tomatoes on the Port of Spain docks will attract a tariff of 100 per cent. How then can the Government be accused of not having protection and throwing farmers to the wolves. But then, it will not always be like that.

Over the period 1995 to 1997, the tariff will come down. Very much as we have done in the manufacturing sector where there was a very high surcharge which was reduced over time. Now, during that period where the surcharge exists, the intention is that our farming community would do what they can, with Government's support and otherwise, to be able to produce more efficiently and put their houses in order so that when the tariff and duty are lowered—never to go below 40 per cent—we would be able to compete with goods coming from outside.

That, of course, does not relieve us of competition from inside Caricom.

Sen. Mahadeo: Mr. President, I know the hon. Minister is nearing the end of his contribution, but before he takes his seat, I thought I would take the opportunity to ask—he was not present during my contribution last night—about the future of the Non pareil Estate. I thought that would have been addressed in his contribution. Apparently, the hon. Minister of National Security did not pass on my request to the Minister.

Sen. Huggins: I was waiting until the winding-up!

Sen. Mahadeo: I listened very intently to his contribution all along and I was waiting, while he was talking about farmers and the production with respect to the food bill, but I did not hear anything about the Non pareil Estate.

Before the Minister takes his seat, can he say what the future holds for that estate?

Sen. Prof. Spence: Mr. President, I should also like to ask the Minister, why three years and not 10 years, since he has that possibility to reduce the surcharges?

Dr. The Hon. K. Rowley: Mr. President, let me firstly address the question of the Non Pariel Estate. In fact, I did not intend to mention it at all.

Non pareil is a block of about 2,400 acres of agricultural land which the Government owns and was operating as a state farm at tremendous loss. It includes 400 acres of cacao and a cacao fermentery. What we sought to do initially was to use it as a potential area to serve the cacao farmers in the vicinity. That did not work out and the Government have decided to offer the whole unit for sale. We are reluctant to subdivide it into small farms, because we believe it provides an opportunity for a large farm to operate, bringing in the economies of scale and so forth.

We went out but did not get any realistic bids. We went out again—and I should say by open bids—offered it to the national community. We got two realistic bids and the process is almost complete. If the person who made the bid comes up with the money it would be sold, and we expect it to be operated as a farm. If not, we would have to reconsider the whole thing, and we may have to do what we did not want to do initially, which is subdivide it. We are reluctant to subdivide it and we are expecting that it will be purchased.

I have heard comments about the union making an offer for it. The offer was way out of line and could not be considered; it was a fraction of what one would want to accept for such a valuable asset. Basically, the short story is that Nonpariel Estate has been offered for sale, offers have been received and if accepted, it would be sold to the local national community.

With respect to the question of the tariff, I think there is a slight misunderstanding here. If one looks at page eight of the GATT document, “Market Access Provisions” in the agreement on agriculture, box (1), one would see a reduction of 24 per cent over 10 years for developing countries. Twenty-four per cent of what? Remember, we did not have tariffication before. We are now moving to tariffication. This comment does not really apply.

What we did was to look at our circumstances on an individual basis and see where the introduction of the tariff could relate to what we were doing. There is

also another position, in that, contrary to what is being said, we believe that if we have to make these changes, and they are painful, the quicker we get over the hurdle, the faster we get to the position where we want to be.

We have put some equivalent tariff there; in the first year we have the common external tariff and if one raises the 24 per cent to the common external tariff, it does not change the situation; it can be a worse position. It is judgment call. Where the Senator spoke about developing countries need only reduce expenditure by 24 per cent over 10 years in subsidy," this has to do with export subsidy. We do not have an export subsidy regime in the country. Of course we could delay this development until 1997 or 1998; that is an option. Of course, it would mean at that time that there will be a higher hump to cross.

We did not bring it on stream in 1993 or 1994; we are starting in 1995 and we believe that given what we can do, by 1997 we would have given ourselves a reasonable chance to deal with the changed circumstances. We too, want efficiency. It is not simply a question of saying that GATT allows 10 years, therefore we would take 10 years to do it. We also want to bring our situation to efficiency and if, in fact, we do that inside the GATT terms—what we have done is to do the studies, and I can give the assurance that we have not taken a position to destroy any sector of our economy or any subsector in agriculture.

7.10 p.m.

We have taken a decision to move to some level of improved efficiency. In the few minutes left to me, I just want to mention something about land. As you would be aware, the Ministry of Agriculture, Land and Marine Resources is one of those ministries that are going through significant reform under the public sector reform exercise. We have to review the entire workings for the ministry to see what we are doing right and what we were doing wrong.

Arising from that, we ended up having to discontinue some operations that were found not be to be worthwhile, and as a result of that, we would be making available for distribution in the coming months, a significant amount of land which is now with the ministry and which can be made available to the farming community. We have also taken a decision to establish in the ministry a land management unit to better manage state lands with a view to bringing agricultural lands into operation in a more orderly manner. To use Sen. Daly's words.

We have also taken a decision to bring out of state control from Caroni, a significant acreage of land. We are talking about over the next three years—bringing out of control of Caroni Limited 6,000 hectares of land to be put into

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lease ownership for operations outside sugar operation. With respect to state lands in the south we are looking at 1,255 hectares, 500 plots in Central Trinidad. We are looking at over 2,000 hectares for 1,000 plots. We are looking in the north at 500.

We are looking at about 2,700 hectares of land to be made available, and I take the point Sen. Prof. Spence made that we need to focus on what these lands are being made available for. However initially, what we have done is to identify what is available and what can be made available and that is something that is extremely difficult to predict. We would seek to influence the use of these lands for crops that we believe have a reasonable chance in the changed environment.

Things change very drastically. Only six months ago we were in the doldrums with coffee—coffee was selling at just US \$0.50 per pound; it has suddenly jumped to US \$1.50 per pound. That is the sort of thing that you experience in agricultural production, especially farming production.

Sen. Hosein: Mr. President, I wonder if the Minister would make available to me the documents on GATT from which he is quoting?

Dr. The Hon. K. Rowley: Yes, I will make a copy available to him. Cabinet has also decided on a Land Management Authority which will be responsible for bringing order to the management of state land assets. That should be coming into operation, hopefully, some time next year. It will require legislation but we are making some drastic changes there.

We have also completed work on the draft agriculture policy which, as Senators may recall, was laid here as a Green Paper a long time ago. We took a long time in concluding that policy because so many things were changing while we were developing it. Now that GATT has been concluded, we have concluded extensive consultation with the agricultural community, the document has now been approved, and I am hoping to have the White Paper laid in Parliament very early in the new year.

In short, the agricultural sector, like the rest of the economy, is undergoing some significant changes. Yes, there is some dislocation but I think one ought not to be as pessimistic as the ordinary comment suggests, and I believe that if we focus on the positive side of it, at the end of the day our agricultural sector can survive the changed circumstances, and indeed, can grow.

Thank you, Mr. President.

Sen. Carol Merritt: Mr. President, before I get into my contribution to this budget debate, I want to note the absence of the Minister of Finance and his junior

from the Senate, and I view this as utter contempt. Contempt for the country, for my person, for the Opposition and the Senate as a whole.

Mr. President: The Minister of Finance has left; the Minister in the Ministry of Finance has left. Neither is a Member of the Senate.

Sen. C. Merritt: This is the fourth budget debate in which I have had the opportunity to participate. I have noticed that on all occasions the Minister of Finance prefaces his presentation with a theme. Please allow me to list the themes thus far.

In 1992 the budget theme was "Stabilization of the Economy." One will remember that at the end of 1992, when the 1993 Budget was presented, this Government failed to present to this Senate an assessment of its performance for 1992, which was its first year in office. As I have said before, *The Review of the Economy* is inadequate to this task, to give a full assessment of the Government's performance of the previous year. *The Review of the Economy* is strictly an economic document which largely ignores the socio-political issues.

In the 1993 Budget there was also a theme, "From Stabilization to Growth." It is now history that this growth was not realized. The 1994 Budget theme was "Our Shared Vision, an invitation to participate." It is also now history that that vision had dissipated in a flash. The only area that some members of this society seem to participate in is the low morals that this country has sunken into this year.

Mr. President, you will remember that from January this year there was an upsurge in the spate of murders and crimes against women and children. The last figure I received was 129 to date. There were two additions in the last two days, one in St. Joseph on Monday and another in Princes Town yesterday. The moral decadence of 1994 speaks volumes for the vision that the Minister of Finance mentioned in his 1994 Budget Speech.

We have to note that this country has descended into and brought the beasts out of some of our citizens so that the vision the Minister spoke of in the 1994 Budget did not materialize at all. Now the 1995 Budget theme is "A Good News Budget" I am not a prophet; I am a realist. I deal only with the realities of any subject.

7.20 p.m.

The Minister's good news was that economic indicators were trending upwards, economic growth projections had exceeded 100 per cent, the highest

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since 1991; that exports had increased by 14 per cent; that the non-oil sector exported 30 per cent more; that inflation was down—I do not think this is so true because there are figures to indicate that this could be a fallacy—that the rate of unemployment had declined—this is also questionable—the rate of investment was up and that the external debt had been reduced. These are the ‘facts’ that the Minister of Finance has stated in his presentation [*Interruption*]

Mr. President: I remind the hecklers that a cease-fire has been called for, following Sen. Daly’s intervention. I think it should be welcome news. That is good news to the Senate.

Sen. C. Merritt: A perusal of the budget document indicates that it is geared to facilitate the foreign investor. All the Government’s plans for capital expenditure are geared to encourage the foreign investor. This is a one-legged Government. It is the whole perception of development is geared towards foreign savings for which we would have to pay the price later. This Government even wants to do away with the labour unions to facilitate the foreign investor. The foreign investor is given more incentives and priorities than the local investor.

Again, a perusal of the budget document would indicate that the people of Trinidad and Tobago are incidental to the development process of our country, for the document lacks an unequivocal, detailed explanation of anything pertaining to human development. The 1995 Budget does not have a human face. That is a fact. It is silent in its treatment of the 290,000 persons trapped below the poverty line.

The budget does not even refer to the debilitating and crippling effects of crime and the drug trade. In fact, the entire question of human security is not addressed. There are no measures in the budget to address under-employment, inequality in income distribution and the disparities in economic opportunities. The country continues to experience the classic symptoms of economic growth without development.

The 1995 Budget is a clear indication that the Government is pursuing an economic model where economic growth is viewed as an end in itself, rather than as a means to an end—the human development. The Minister continues to voice pretty slogans such as “enlightened and liberated citizenry.” How can the citizenry of Trinidad and Tobago be liberated and enlightened when there are no provisions for human development in this budget?

These pretty and cute slogans by the Minister will have no meaning to the residents of a village called ‘Third Branch Road, in Tableland’. Allow me to illustrate my point, by referring to an article featured in the *Sunday Express* of,

December 4, 1994. It is an investigative article done by Phoolo Danny. After I have finished reading this report I may not need to say anything again about this budget. The article states:

“Inside the forests amidst abandoned cocoa estates, forty children sit inside a dilapidated, leaking school building, studiously at work, all the while dreaming the dreams of all little children.

They imagine themselves as doctors, lawyers maybe, nurses, teachers, policemen. But if their dreams did manage to convert into reality, they would be lucky. Reality is not likely to take most of them much further down the road than the shadon beni patches, sole sources of income for many of the families from which they come.

You could say that the children of Tableland, 3rd Branch Road, are caught at the crossroads of family poverty and state neglect, where they live subject to all the attendant ills including physical and sexual abuse in some cases. But do not look for the evidence on their shining little faces.

Their world is unlike anything most people know or even imagine.

The name Santa Claus is as strange to them as the name Patrick Manning. Ham, turkey, pastelles, apples, grapes, pears and ice-cream have no place in their world.

For most, the thin rubber ‘hoola-hoop’ slippers will be the only footwear some would ever own.”

I have to go on because there are some salient points in this article that need to be addressed. Everybody is standing and talking about growth, progress and development of the human resource but the reality is that there are many villages in Trinidad and Tobago that are undergoing a similar experience.

“Sweet soap and detergents, toys and even underwear never get mentioned on their shopping list. Whatever little money is earned from selling shadon beni or fruits from the abandoned estates, all towards purchasing one main item: food for the family. This could be roti and margarine; bake with ketchup, or whatever talkari can be cooked up from the seasonal vegetables.

The 212 or so resident of Tableland, 3rd Branch Road, live in a world without running water and electricity. The public utilities have declined to install both services because it is financially unfeasible for them.”

This is one for the Minister of Public Utilities.

“The roads and bridges are as neglected as the people.

The three teachers and the principal who have devoted themselves to serving the 40 students, including the 10 pre-schoolers have to walk four miles through abandoned cocoa and coffee estates, dilapidated roads, and sometimes through floods, in rain or sun to get to and from school. Taxis almost always refuse to enter the area.

All this is just the beginning of the horror story of the students who attend the Tableland A.C. School.

Life has always been precarious for the villagers. The rains are the only source of water. When their barrels are empty, they are usually forced to use water from the drains and mosquito ridden ravines. Skin diseases are common. Rats, snakes and insects of all kinds are common sights.”

The details in this article are quite numerous. It would take up most of my contribution to mention. This is noteworthy.

“The school was built in 1928 on private lands. Landowner, the late Mr. Gayah, used to pay the teachers for private tuition for the village children. But when he could no longer afford it, he asked the AC board to take over the school. There were about 100 students in those days, among them, Ainsworth Harewood (who grew up to be the current Governor of the Central Bank), and the late parliamentarian, Lionel Seukeran.”

They are two great sons of the soil, as we would say. Maybe they need to contribute a little to this village. I read this to show the type of situation that still exists in this country, whilst those on the opposite side are beating their chests and praising themselves on “A Good News Budget”.

7.30 p.m.

I thank Ms. Phoolo Dhanny and congratulate her on doing this type of investigative report on the under-privileged in Trinidad and Tobago.

The most disturbing aspect of participating in these budget debates is the fact that Senators raise major concerns which only fall on this deaf, mute Government. It is frustrating because the Government does not analyze solid recommendations and proposals. This is the reality.

At page 2 of the 1995 Budget Statement, the Minister outlines the history of the Government’s budget focus since 1992. He says:

“In the first year, we stabilized the economy and devoted significant resources to the public service in settling the court award. In the second year, we focused on Government’s fiscal discipline and the stimulation of the private sector. In the third year, we continued the stimulation of the private sector and extended assistance to the most vulnerable through the expansion of the social safety net. This year we will focus on the human resource and physical infrastructure development, and in sustaining economic growth and job creation.”

From this statement we can finally discern the Government’s true priorities. From the statement of the Minister, the improvement of the standard of living of the majority of the population is last on its agenda. In fact, the real priority of the 1995 Budget can be seen on page 5 where the Minister stated that:

“The task before us, therefore, is to continue to lay the foundation for an improved economic environment...”

This is a vivid contrast to the earlier commitment by the said Minister in his 1992 Budget Speech, when he pledged that ultimately the welfare of the people is the prime consideration of this Government. That has gone through the window.

The Minister stresses that his Government intends to extend short-term assistance to the poor and disadvantaged. In the year of the elusive social safety net, Senators will appreciate that the rationale for the creation of the concept of a social safety net was the geometrically increasing numbers of persons who required financial and other assistance to live.

They are the social assistance programmes relief for the thousands who are unemployed and for whom Government’s policies held no hope; and apprenticeship schemes for the large numbers of young graduates who were not being absorbed in the job market. Therefore, the widening of the social safety net is not an indication of policy success, but a damning indictment of Government’s lack of performance.

Government’s response to the critical issue of youth unemployment is the Youth Training and Employment Partnership Programme (YTEPP), the National Apprenticeship Programme and the Civilian Conservation Corps. These programmes offer temporary employment with a very low income, or stipend, as was stated by Sen. Maloney, for some 6,000 youths in 1994 at a total cost of \$10 million.

This translated to an average annual income of \$1,666 which works out to \$4.57 per day per person. If we assume no transport costs are incurred, this still is

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barely enough to purchase the soup that the Prime Minister spoke about. Of course, even his much vaunted measure has not been implemented. This soup kitchen idea was only propaganda that was spread during the Laventille election.

With respect to URP, some 80,000 adults were awarded the princely sum of \$4.50 per day, that is assuming that each individual had equal access to serial reemployment. To date, the Unemployment Relief Programme continues to be implemented in an inequitable manner. Allegations of favouritism, political patronage and corruption continue to characterize the operation of this relief programme.

The Minister of Finance states that the records clearly establish the commitment and compassion of this Government to reach out and touch the lives of those of our citizens who need our help and guidance. He was speaking about URP in that instance, I am sure.

In the 1995 Budget Statement the Government has allocated \$606 million toward settlement of the debt to the public servants. The Government has indicated that this is the final offer which it is willing to propose to the public sector unions. This is a far cry from the Government's initial promises to engage in extensive consultations with all interest groups.

The Minister further displayed his and his Government's contempt for the trade unions in Trinidad and Tobago when he stated on page 21 of his Budget Statement:

"In the absence of this settlement, consider how much further tax relief we would have been able to grant or how much more we might have been able to spend on the PSIP".

This represents a blatant attempt on the part of the Minister to convince the wider community that they have been robbed of their rightful dues by the Government's need to settle its debt with the public servants.

Furthermore, it represents a continuation of the Government's policy of marginalizing the trade union movement and facilitating the infringement of workers' privileges. This argument is validated by the Minister's earlier statement on pages 3 and 4 as follows:

"In deciding whether to invest in Trinidad and Tobago and create jobs here, a local or foreign investor will be weighing not only direct labour costs, but also, for example, how punitive are our severance benefits versus those in Barbados; how restrictive are Trade Union practices here versus those in

Costa Rica; how many add-on benefits and taxes on wages are imposed here...”

What the Minister of Finance is stating is that severance benefits, trade union practices and add-on benefits are deterrents to foreign investment.

The Minister has failed to indicate to both Houses of Parliament whether he and other Ministers plan to make their retroactive payments in bonds, as everyone is asking them to do.

According to the IMF, whose view the Minister now claims as his own, investment will flow when there are less rigidities and distortions in the labour market. The view of the Government of this country is that severance benefits are a distortion of the labour market. This is the genesis of the Government's unstated but obvious declaration to make trade unions extinct. It would like to get rid of them at all costs.

There is no provision in the 1995 Budget to implement the Children Act effectively. That Bill was passed in this House in November, 1993. I am not seeing any allocations in the budget to make provision for the infrastructure that Sen. Pundit Gosine spoke of so eloquently this afternoon.

Although the Minister of Social Development made several promises last year, and even earlier this year, the budget statement and the Minister are silent on the whole issue of providing infrastructure for foster care homes, and rehabilitation centres, which will be identified as places of safety for the abused child.

7.40 p.m.

Further, the nations' public health system has been plunged into a state of near collapse and ruination by the present administration. The Government's proposed decentralization of the health care system, in accordance with the Regional Health Authority Act 1994, will inevitably hasten this process.

The 1994 Budget allocated \$633,006.702 to the Ministry of Health, representing a 9 per cent increase over the *1992 Revised Estimates*. This small increase can only be significantly measured in relation to the actual delivery of health care to the population. Unfortunately, 1994, like the preceding years, witnessed a deterioration at all levels of the nation's public health system. It was a year marked by the closure of several district hospitals; a quickening of the exodus of doctors; shortages of other ancillary staff, medicine and medical equipment and supplies.

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The main thrust of the Regional Health Authority Act 1994, which seeks to reform the health care system—and is yet to be proclaimed—is that the five semi-autonomous regional health authorities would own and operate all levels of the Government's health service. Regions will be free to acquire services from wherever they can obtain them most efficiently and would function independently and autonomously in the recruitment, selection of and compensation for various grades of staff, as well as in subcontracting services to third parties, or in disposing of assets in the local and international markets.

Taking these facts into consideration, I want to raise general concerns in the health sector and I am going to question how some of these concerns are going to be addressed. The dilemma of staff shortages prevailed in 1994. The San Fernando General Hospital lost 25 of its senior doctors during the first six months of 1994 and another 29 are due to leave by the end of the year. The exodus has been largely impelled by dissatisfaction with conditions at the institutions, which are plagued with overcrowded wards and lack of basic drugs to treat emergency cases; drugs like penicillin, broad spectrum antibiotics; aminophyllin—an intravenous drug used to arrest asthmatic attacks; silverdine—a drug used to treat burns—simple drugs like that—anaesthetic drugs and painkillers and drugs to combat negative bacteria.

The exodus and its attendant understaffing has naturally resulted in additional pressures on the remaining doctors. Department which should have at least eight doctors are now manned by one doctor and a house officer or an intern.

There is also much concern over the \$79.2 million new wing at the San Fernando General which was handed over in August 23, 1994. this wing is still empty of furniture and equipment.

Doctors at the Port of Spain General Hospital have also written to the Ministry of Health registering their complaints about the lack of drugs, equipment and supplies. There are shortages of antibiotics, insulin, painkillers and drugs to treat hypertension and heart disease. In addition, there is a shortage of blood pressure gauges and reagents to conduct urine and blood tests. This has resulted in a halt in laboratory services.

The situation at Port of Spain General Hospital is so bleak that the hospital is rationing soap and toilet paper—that is the reality. In fact, Mr. Keith Sancho, the PRO at the ministry, has confirmed that there is a shortage of all types of drugs, including those use for psychiatric cases. It is not even safe to go mad in this place. Sancho has indicated that these problems have been exacerbated by problems with the ministry's contractors.

The Mayaro District Hospital is now virtually closed. No doctor has been assigned to the hospital and nurses are forced to refer all patients to the San Fernando General Hospital and Sangre Grande Hospital. It is important to note that the Mayaro District Hospital services 8,000 residents in the Mayaro, Guayaguayare, Kernaham and Mafeking Villages. The hospital is also not equipped to handle industrial accidents notwithstanding the fact that all the major oil companies are drilling off the coast of Mayaro.

Amoco and Company have been in this country now for 20 years and they have not done anything to assist the hospital or to upgrade Mayaro or Guayaguayare. In fact, all the major oil companies are drilling off the coast of Mayaro and Guayaguayare and an average of 100 to 150 persons visit the hospital daily.

The St. Ann's Hospital is also experiencing a shortage of nurses. Of the 383 nursing posts at the institution, only 104 have been filled. There are 24 ward areas in the hospital but the institution also offers extended care centres and a rehabilitation centre for drug addicts.

This means that there is a relatively large work area to be manned. Work at the hospital is divided into three shifts daily with nurses being required to work 40 hours per week. However, given the present level of nursing staff, wards are not managed properly or properly staffed. In fact, it has been argued that this situation may have facilitated the escape of the 27 patients from Ward C 2 of the hospital in August.

These are critical issues, and they have to be raised. And no provisions have been made in the budget to eradicate these major concerns. I am voicing these major concerns here today and I suppose next year they would be voiced again because this Government is not prepared to look after these issues.

Tobago is currently experiencing a severe mosquito problem. Inadequate staffing in the health division has been cited as the main reason for this problem. There have been no district Public Health Inspectors on staff since the 51 workers in the division were retrenched in 1993.

The Scarborough County Hospital has been without a Hospital Medical Director since April 1993. I wonder if my Friend on the other side from Tobago is aware of this. It seems as though he has absconded from Tobago. One of the critical problems in Tobago is the shortage of specialist staff.

Given the prevailing situation, it is noteworthy that the Government has spent \$163 million on the provision of health care facilities over the period 1992 to 1994. According to the hon. Prime Minister at the commissioning of the

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Pleasantville Health Centre, this money was spent; and I quote from the *Trinidad Express* dated August 17, 1994 at page 7:

“...at a time of urgent and competing demand on the Treasury

He further indicated that the Government spent \$42 million between 1992 and 1993 for upgrading eight major hospitals and primary care institutions in the country, and an additional \$32 million would be spent between September and December, 1994 for further upgrading works on the eight hospitals, 45 health centres, and other ancillary facilities.

Mr. Manning said the Government is spending a further \$89 million on the construction of a new health facility at Arima, and on the new wing of the San Fernando General Hospital.”

7.50 p.m.

I understand that the facility at Arima, which was just completed, cost \$89 million and would be used as a primary care centre. Why was \$89 million spent on a facility that would not be able to house patients over a period of time? It is just like an emergency centre—one goes for care and leaves immediately. I understand the roof alone cost a few million dollars. Therefore, it is perplexing that the nation’s health care centres are in such a state that a large section of the population have no access to health care, especially when the Government claims that millions of dollars are being spent to improve health care.

In the 1993 *McIntyre Report*—‘Building a Social Consensus’—it was reported that 30 per cent of the population or 360,000 persons were medically indigent and unable to access health care either because of personal financial constraints or the unavailability of care, the closure and/or virtual closure of many district hospitals and health centres, the medically indigent population of this country may have dramatically increased.

With respect to the cases of malaria, sources indicate that the ministry does not have the pesticide to eliminate the anopheles mosquito that spreads it. Tenders for supply have only just been sent out, that is November I am speaking about. However, even when the pesticide is received, there would be problems reaching the area where the mosquito breeds since there is a severe staff shortage in the department. Many of the surveillance staff and malaria evaluators are among those who took the VSEP package. Furthermore, many of the vehicles used in such an exercise are unserviceable.

In addition to the threat of the malaria epidemic, health officials are also concerned with the current “hijab” or “sting” virus which might well be another debilitating mosquito transmitted disease resembling dengue. There have been complaints that doctors are not diagnosing properly and as a result there are no valid and reliable statistics on dengue fever.

I suppose everybody remembers the day of the infamous egg-nog scenario at St. Ann’s. After that tragedy where 14 patients died, there was a gruesome situation on the grounds of St. Ann’s Medical Hospital where a patient was bitten and strangled to death. There has been an in-house investigation into this latter matter, and a commission of enquiry into the egg-nog affair, yet no one has been held responsible for these two incidents.

During the 10-year period 1983 to 1992, it was estimated that more than 27,000 years of lives was lost through the HIV/Aids virus in this country. This figure represents years lost due to 784 HIV/Aids deaths which occurred during the 10-year period. The largest number of Aids deaths occurred in the 25 to 29 age group, and represented 6,432 years lost, followed by the 30 to 34-year age group, which is 5,475 years lost, and the 20 to 24-year age group.

Apart from the San Fernando General Hospital, the other facilities which offer treatment to people with Aids are the Port of Spain General Hospital and the Queen’s Park Clinic.

The Minister of Health in response to a question posed by a person here in this Senate, indicated that the ministry did not see the need to establish a special hospital and clinic for the care and treatment of people with the HIV/Aids virus, suggesting that many sufferers were well enough to be treated generally.

Between 1983 and the first quarter of 1994, 1,542 Aids cases were reported to the ministry. During the first three months of 1993, 72 cases were reported. The Public Health Laboratory has indicated that between 1983 and 1992, there was an almost 30-fold increase in the incidence of HIV disease in this country.

It is important to know that Aids is a major contributor to premature death in this country and has a serious impact on the country’s economy. It must also be noted that Aids figures are under-reported since physicians in private practice are not mandated to report Aids cases. This is an aspect that I think the Ministry of Health should look into seriously. We need to get the true figures of the number of Aids cases in our country.

According to Dr. John Farley, head of Carec’s special programme on sexually transmitted diseases, based on current trends, the incidence of Aids—an average

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of 1,000 cases annually—will continue to rise by about five to seven per cent over the next five years.

An alarming aspect of this trend is the increase in the number of females contracting the disease. In fact, a release from the National Aids Programme pointed out that more pregnant women are now falling victim to this scourge, revealing the shift in transmission from homosexual and bisexual to heterosexual.

8.00 p.m.

In my contribution on the Regional Health Authorities (Amdt.) Bill, I raised all those concerns which I have stated here today. I stated that these chronic problems that plague the health services needed to be addressed and completely eradicated before embarking on the decentralization process. My observations and recommendations were ignored by this arrogant Government, like water falling on a duck's back. The various concerns raised by me and other Senators are still relevant and there are no provisions in the 1995 Budget to address them, neither are there any provisions in the *Medium-Term Policy Framework* to address the chronic problems in the health sector.

I shall move from the health to the education sector—another vital sector.

Mr. President, how much more time do I have?

Mr. President: Forty-four minutes have gone and 16 more minutes to go, which is extended time.

Sen. C. Merritt: Mr. President, the Minister of Education stood in this Senate yesterday and sought to outline numerous plans for the Ministry of Education, but he failed to state which aspects of those plans are going to be implemented in 1995. We are debating the Appropriation Bill 1995. It was as though he was reciting a fairy tale without any specific deadlines—some of the same plans we have heard in previous budgets.

The concerns in the education sector are the same, and I shall raise them again because I know that due to the ineptitude of this arrogant Government next year we would have the same concerns.

The 1994 Budget allocated \$1 billion to the Ministry of Education representing the line ministry which received the largest allocation in the 1994 Budget. During his budget contribution the Minister of Education gave assurances that appropriate management systems—he came with that again yesterday—would have been developed to ensure the delivery of quality education; critical changes would have been effected in the curriculum and improvements in the

physical facilities of the nations' schools with emphasis on primary school education. Notwithstanding this sure-fire formula for educational success, in 1994, education continued to be characterized by the same myriads of woeful problems with increased intensity as in proceeding years, infrastructural problems: shortage of furniture, water woes, inadequate secondary school places, illiteracy and so forth.

In addition, despite the increased allocation in 1994, economic downturn and severe cuts in social spending over the years had already taken their toll in terms of reduced quality, unresponsiveness and performance of the entire education system. The problem of inefficient management and allocation of resources continues to be visible, especially with respect to the concentration of the allocation on operating costs or recurrent expenditure of the ministry, as opposed to the capital expenditure. Complaints of the inequitable nature of the system in terms of geography gender, race and religion-related access to the secondary school system continue to abound, as was shown in one of the reports.

I have some main concerns on the education system and I shall list them. Number one, absenteeism. In recent times there has been an increase in absenteeism in most public offices—teachers, for instance. As a result many classes are left without teachers and are generally unsupervised. In addition, a study of the secondary school population in Trinidad and Tobago has found that there is a high rate of absenteeism within the public secondary school system. According to the study, in 1992 the public secondary school system catered for 97,161 students with up to 14 per cent or 13,000 of these students accounted for only as continuous and unexplained absences.

The study noted that while students from the upper and middle income homes stayed in school, the same could not be said of students from homes in the lower income group—and we all know the reason. Evidence also indicates a significant drop in the population of males after the third form because by then most of them become frustrated with the education system. They find that it is irrelevant and they automatically drop out, or for some reason their parents may not be able to provide the necessities for them to attend school. This trend is indicative of a serious crisis in the education system.

In fact, the study warned of the socio-economic implications for the country. Adding 13,000 over a five-year period to a population as small as Trinidad and Tobago's is explosive. Massive frustration, lack of self-esteem and other social problems impact on the individual. At the level of the society, crime, social unrest and general lawlessness are evident. Our concern is not the \$41.7 million, but,

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more importantly, the causes of the unexplained absenteeism and the consequences for the future of our young people. We need to get to the root cause of the unexplained absenteeism.

Eighty per cent of the vacancies at the nation's schools, created by maternity leave, are never filled. This is perhaps one of the main reasons for the large number of vacancies in schools and contributes to the shortage of teachers. Obvious results—students are short-changed and deprived of effective teaching for three months. In addition, this situation places increased pressure on those teachers who may have to assist with these classes.

The shortage of teachers is especially acute in Tobago where the increase in the number of places for students has not been met by an increase in the number of teachers. In fact, the teaching establishment in Tobago has not been increased. It is estimated that approximately 45 teachers are needed in Tobago.

Another related issue pertains to the delay in the filling of vacancies. In 1975 the teaching establishment had 14,400 teachers. In 1993, the figure had dropped to 12,400, notwithstanding a 12 per cent increase in the school population. These are concerns in the whole education system that need to be addressed, and I am not seeing them being addressed regardless of the plans which were stated here yesterday.

The promotion system is another area causing difficulties in schools. Acting positions have become a major feature of not only the teaching service but the entire public service. At present, the following situation exists with respect to acting arrangements for principals:

Schools	Principals (Ag)
Presbyterian	12
Maha Sabha	15
Government	6
Roman Catholic	17
Vedic	2

This practice does not augur well for effective administration of schools. It offers no incentives to these administrative heads to initiate or even implement administrative programmes.

8.10 p.m.

Over the years, the increase in the school age population has not been met by a corresponding increase in the number of places available at schools. What has

emerged is the growing phenomenon of an increase in the sizes of classes. Ideally, the ratio of teacher to student is 1:25. The present average is 1:40. This, coupled with inadequate furniture, leads to overcrowding.

The problems in the education system are numerous. The lack of a regular supply of water continues to be a major problem in the nation's schools. The ministry has failed to implement or institute any mechanisms to service schools when there is a water shortage. In fact, in the first six months of 1994, out of a total of 600 public schools in Trinidad and Tobago, 156 schools had to be dismissed early, at various times, because of a lack of water. Note this: there was also a total of 908 early dismissals, especially in the eastern districts—Tacarigua, Arouca, Manzanilla North and Mayaro. They suffer chronically for water and if they get at all, sometimes the children are poisoned.

The Government must know that education is a social institution and it is intricately linked to other institutions in the modern society. Any reform of the education system must, therefore, take into consideration the general socio-economic and political framework of the society. One of the critical problems and challenges facing our education system involves making education more relevant to the human resource needs of our country.

In conclusion, I want to note this. In 1992, I made a proposal in this Senate for the ceiling for old age pensioners to be raised to \$12,000 and I remember that the Minister of Finance had promised that if the country realized any growth, they would look into it and try to implement.

Hon. Senator: But there is no growth.

Sen. C. Merritt: Seeing that we have realized a growth of 4 per cent, I am hoping, if it is a real growth and not a fictitious one, that the Minister would do something about the old age pensioners, because regardless of the fact that they are saying that inflation has declined, it is not so. The old age pensioners are receiving only \$347 a month and that cannot provide for them—no way! That is the reality.

And given the budget does not have provisions for human development it does not have a human face—it is only geared to encourage the foreign investor; to sell out the assets of our country as was done just recently with 49 per cent of T&TEC's generating capacity, in a very dubious manner without proper accountability; how can the citizens of this country be enlightened and liberated when the budget for 1995 does not have a human face?

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Thank you, Mr. President.

Motion made, That the Senate do now adjourn to Thursday, December 8, 1994 at 10.00 a.m. [Sen. The Hon. R. Huggins]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.15 p.m.