

Welcome

Monday, January 22, 1996

SENATE

Monday, January 22, 1996

The Senate met at 10.03 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

WELCOME

Mr. President: Hon. Senators, this is our first sitting for the new year, 1996, and I would like to welcome each and everyone to the Senate.

CONDOLENCES

Mr. President: Hon. Senators, we have learnt that the mother of Sen. Diana Mahabir-Wyatt, Mrs. Dorothy Humes Kingston, passed away in Canada on Wednesday of last week. On behalf of all Members of the Senate and myself, I extend our deepest sympathy to Sen. Mahabir-Wyatt and her family on the passing of her mother. The Clerk of the Senate would be instructed to forward an appropriate letter of condolence.

APPROPRIATION BILL (BUDGET)

Bill to provide for the service of Trinidad and Tobago for the year ending December 31, 1996, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings.
[*Hon. B. Kuei Tung*]

Question put and agreed to.

PAPERS LAID

1. Review of the Economy 1995. [*The Minister of Finance (Sen. The Hon. Brian Kuei Tung)*]
2. Draft Estimates of Expenditure for the year 1996. [*Hon. B. Kuei Tung*]
3. Draft Estimates—Details of Estimates of Recurrent Expenditure for the year 1996. [*Hon. B. Kuei Tung*]

4. Draft Estimates of Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the year 1996. [*Hon. B. Kuei Tung*]
5. Draft Estimates of Development Programme for the year 1996. [*Hon. B. Kuei Tung*]
6. Draft Estimates of Revenue for the year 1996 [*Hon. B. Kuei Tung*]
7. Public Sector Investment Programme 1996. [*Hon. B. Kuei Tung*]
8. The Medium Term Policy Framework 1996—1998. [*Hon. B. Kuei Tung*]
9. The Provisional Collection of Taxes Order, 1996. [*Hon. B. Kuei Tung*]
10. Report of the Auditor General on the accounts of Business Expansion and Industrial Restructuring Loan (BEIRL) for the year ended December 31, 1994. [*Hon. B. Kuei Tung*]

ORAL ANSWER TO QUESTION

The following question stood on the Order Paper in the name of Sen. Prof. Julian Kenny:

Environmental Management Authority

(Appointment of)

1. (a) Could the hon. Minister of Planning and Development inform the Senate whether any one of the 10 members of the board of directors of the Environmental Management Authority has been appointed from non-profit environmental organizations?
- (b) If the answer is in the affirmative, could the Minister state whether all or a majority of the non-profit environmental non-governmental organizations were consulted in the selection of this particular member of the board, and the criteria employed in this selection?
- (c) If the answer is negative, could he state what steps will be taken in the future to ensure full consultation with all non-profit environmental non-governmental organizations?

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, with the concurrence of the hon. Sen. Prof. Julian Kenny, we ask that this question be deferred until after the budget debate.

Question, by leave, deferred.

ASSOCIATION OF INDEPENDENT MINISTERS BILL

Question put and agreed to, That a bill for the incorporation of the Association of Independent Ministers and for matters incidental thereto, be now read the first time.

Bill accordingly read the first time.

10.10 a.m

APPROPRIATION BILL (BUDGET)

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. President, I beg to move,

That a Bill to provide for the services of Trinidad and Tobago for the year ending December 31, 1996 be now read a second time.

As hon. Senators are aware this is a money Bill, and was approved in the other place on Tuesday, January 16, 1996. This Bill provides for expenditure in the sum of \$10,715 million under the various Heads as indicated in the Schedule of the Bill. Furthermore, the estimates of direct charges on the Consolidated Fund for 1996, in accordance with our Constitution and other laws, and excluded from the Appropriation Bill amount to \$488 million. The total Draft Estimates of Expenditure for the year 1996 is, therefore, \$11,203 million.

This is the dawn of a new era. The count down to the year 2000 has already begun. It is certainly time for us, as a nation, to begin the task of securing a higher standard of living for all citizens of this country especially for the disadvantaged among us. We have issued a clear signal of our determination to continue on the path of sustainable economic growth. We shall not settle for trickle-down economics which purport jobless growth. There must be growth with social equity. In fact, the challenge facing this Government is to strengthen the growth process while addressing the social ills that pervade the society. Accordingly, we sought to establish the *Medium Term Policy Framework* within which our policy objectives and the strategies we will pursue have been set. As indicated in the other place, our medium-term programme will be guided by the need to ensure the following:

- that the economic environment is on the right track;
- that there is growth with equity;

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- that there are permanent increases in the level of employment;
- that the disadvantaged are empowered to help themselves, and
- that there are substantial improvements in the social infrastructure.

A key increment in this strategy mix is the substantial reform of the tax system. We firmly believe that the current tax regime is not the most appropriate to achieve our objective of increasing the level of domestic savings and investment. Our objective, therefore, is to reform the tax regime in order to make it more effective, more transparent, more efficient and certainly less burdensome. This reform process, therefore, requires that we remove the myriad of nuisance taxes that are ineffective and inefficient; that we remove the various concessions and preferences that distort the tax regime; that we level the playing field and encourage a greater level of competition; and that we reduce the burden of taxation.

The fiscal measures we propose to implement in 1996 begin this process in earnest. Our tax reform strategy will be supported by measures designed to strengthen the investment climate, in particular, the regulations governing the new Companies Act, the Securities Industries Act, the Securities and Exchange Commission and the Venture Capital Act. The proposed Investment Promotion Act and the Draft Insurance Bill will also assist in this process.

Mr. President, if Government is to reduce the level of taxation and yet meet its obligations to ensure that the country has an appropriate economic and social infrastructure, as well as an adequate level of social services, the tax base must be strengthened. That is, those distortions that would erode the tax base must be removed. We should be mindful, however, that reform in the tax regime is not an end in itself, but rather a means to an end. It is part of the process to establish a regime that would lead to a higher level of savings and investment, not through the provision of incentives and concessions but rather through the more efficient means of reduced tax rate and lower tax burdens.

Another major factor in our strategy mix is the need to ensure that there is, in fact, free and fair competition in the domestic market place. We seek a market-oriented economy, driven by competition. For far too long, we have tended to pay only lip service to this requirement. Given our small economy and the limited number of major players, we believe it is necessary to institute safeguard measures that will ascertain an appropriate level of competition.

These measures will be spearheaded by a clearly defined competition policy, supported by the enforcement of the required legislation.

We believe, also, that the permanent increases in employment that we seek can be achieved only through higher levels of investment, particularly in those sectors of the economy that have the leverage to generate increasing employment opportunities, namely, agriculture, tourism, manufacturing and construction. Yes, the lowering of overall tax rates would help to generate a large part of investment resources needed to move into these sectors.

These are only some of the measures required to stimulate investment in these areas. Our strategy for these sectors necessitates that we do more.

For example, we must accelerate the implementation of the state's land distribution programme, increase access to agricultural credit, develop and strengthen linkages with the agro-processing industry and the tourism industry.

Within the tourism sector we must enlist the input and support of the private sector, we must speed up the approval process with respect to tourism investment, we must amend the Hotel Development Act to include approved tourism projects, and we must promote and raise the level of domestic tourism.

In the case of manufacturing we will fast track implementation of the Anti-dumping and Unfair Trade Practices legislation in order to protect our local manufacturers and producers from predatory pricing.

The construction sector will benefit from the implementation of Government's accelerated housing construction programme, the National Housing Authority construction programme, construction of the LNG Plant, and other infrastructure construction.

Mr. President, while we recognize that we must, of necessity, pursue those measures that will ensure the stability of the economic environment, it is equally important that we take the necessary actions that provide for the delivery of an effective and efficient level of social services. This requires that Government address immediately the integration and co-ordination of the social services programme that will respond adequately to the needs of the growing number of disadvantaged individuals in the society.

While the existing social services are extensive, they have become fragmented, with significant duplication in gaps and in coverage. The focus, therefore, will be on the re-evaluation of these programmes with a view to

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improving their effectiveness, as well as establishing an integrated and co-ordinated approach to the delivery of such services among the key agencies in the delivery mechanism. Administrative rationalization of the programme will also be required in order to reduce cost and to improve its efficiency. As part of the programme to re-organize and strengthen the social services, Government will undertake a comprehensive review of the operations of the National Insurance Board.

The latest actuarial review indicates that there is an urgent need to restructure the operations of the NIB. To ensure that the institution is relevant to the needs of the population, there is a compelling demand to increase NIS benefits to enable beneficiaries to maintain, at least, minimum living standards. Restructuring the NIB and the NIS, therefore, becomes imperative in 1996.

A critical aspect of the review of the NIB and the NIS will be the possible consolidation of the services and benefits provided by the NIB and the Ministry of Social Development. In addition, consideration will be given to the possible introduction of a contribution-based system of pensions for the entire country. Let me hasten to add, that this does not imply the removal of the pension and assistance programmes currently provided by the NIB and Government, but the implementation of a system that will ensure adequate and secured pensions for all.

Mr. President, the measures which this Government proposes to implement in 1996 are detailed in the 1996 Budget Statement, as well as in the annex to the budget entitled, "*The Fiscal Measures in the 1996 Budget*" and the Provisional Collection of Taxes Order.

10.20 a.m.

I also draw your attention to the other supporting budget documents which provide further details on Government's policies and objectives. These include the Public Sector Investment Programme 1996 which includes details of Government's investment programme; the *Medium Term Policy Framework, 1996-1998* which is our policy agenda, and *The Review of the Economy 1995* which reviews the performance of the domestic economy in 1995.

There has been much ado about nothing in the other place about Government's Estimates of Revenue and Expenditure for 1996. Questions have been raised as to the integrity of the fiscal estimates. I simply wish to point out that the criticisms raised by those now on the other side suggest that they do not

know how the fiscal estimates are put together, and if so, their policy prescriptions over the last four years were by luck and chance, a virtual shot in the dark. We want to believe that is not the case. It is, perhaps, that they are fully aware of how the fiscal estimates are put together but, having not found any faults with the budget, sought to question the validity of the estimates and by extension, the integrity and competence of the technocrats. Let me assure you that the same technocrats who have put together the fiscal estimates for the last four years are the very individuals who were responsible for the 1996 estimates using the very same procedures and methodologies.

To satisfy the critics let me simply point out that in 1995 the fiscal estimates showed revenues of \$8,886 million, while the budget estimates showed revenues of \$11,553 million. Similarly, the fiscal estimates of expenditure showed a total expenditure of \$9,003 million, while the budget estimates put total expenditure at \$10,565 million. If we look at the estimates for 1992, 1993 and 1994, we will see the same pattern.

Having said that, I wish to reiterate that total expenditure of the central government in 1996 is budgeted at \$9,652 million. This level of expenditure is \$1,551 million less than the sum of \$11,203 million shown in the budget estimates. This difference is accounted for by the non-inclusion in the fiscal estimates of Government's on-lending of \$268 million with respect to the energy sector project, the Global Agricultural Credit Programme associated with the Agricultural Development Bank and the private sector, under the Business Expansion and Industrial Restructuring Loan; \$1,422 million in capital repayments and sinking funds contributions, the inclusion of \$50 million under the Road Improvement Fund and \$90 million under the Unemployment Levy Fund. Under the on-lending programme, Government merely acts as the conduit between the International Lending Agencies and the recipients. To include these amounts in the fiscal estimates would serve only to artificially inflate the level of government expenditure.

The Road Improvement Fund and the Unemployment Levy Fund are separate and apart from the Consolidated Fund and while they do not form part of the estimates of the Consolidated Fund, they are nevertheless included in the fiscal estimates in order to provide a true and correct picture of the effective level of government's expenditure. Let me assure you again that this method of determining the level of government's total expenditure was not invented by this administration; rather it has been the method used by previous administrations.

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The higher level of total expenditure in 1996 is due in part to increased transfers of \$707 million to a number of state enterprises, agencies and other organizations. Of the sum of \$707 million, approximately \$534 million returns to the Treasury in the form of the following:

Tax	\$ million
stamp duty	11
PAYE	387
VAT	64
withholding tax	33
land and building taxes	4
taxes on goods and services	12
health surcharge	23

These amounts represent outstanding liabilities of the enterprises and agencies to Government. In order to clean up the books of these enterprises, Government will transfer these sums to the various organizations and they will be repaid to the Treasury in 1996.

I wish to point out that while the provision of \$288 million to Caroni is a substantial sum, \$238 million will return to Government to satisfy arrears of taxes. Of the balance of \$50 million which Caroni will retain, \$20 million is to meet arrears to employees and \$30 million is to meet payment for spraying of farmers' cane. The sum of \$810 million to be expended under the development programme is less than that indicated in the budget estimates because of the adjustments with respect to the on-lending programme and the Road Improvement Fund in the fiscal estimates to which I referred earlier.

Our fiscal estimates for 1996 indicate revenue collections of \$9,936 million. This amount excludes government borrowings and receipts from the divestment programme but includes revenues collected under the Unemployment Levy Fund and the Road Improvement Fund. Again, I must emphasize this is the practice adopted by previous administrations. Of the increase of \$1,410 million in revenues over that collected last year, \$534 million is accounted for by the repayments from the state enterprises and other agencies as indicated earlier.

Oil revenues—and there is a significant difference between oil revenues and oil taxes—will amount to \$2,107 million. This amount is made up of the following:

Tax	\$ million
oil taxes	1,437
withholding taxes	23
unemployment levy	90
oil impost	19
Royalty receipts	537

This is a grand total rounded off to \$2,107 million.

Last year the previous administration claimed that although the individual income tax rate had been reduced by 2 percentage points, and tax refunds in excess of \$225 million had been paid, net revenue collections under the individual income tax remained relatively unchanged. What is there to indicate that having now lowered the individual income tax by a further 3 percentage points in 1996, net revenue collections will not increase over the 1995 level, particularly when a significant portion of the arrears overhang has been removed, the rate of growth of economic activity is expected to increase and the revenue collection effort intensified? Furthermore, we will collect \$387 million in arrears of PAYE from the state enterprises and other agencies. Perhaps we have been too conservative in our estimates of revenue collections under the individual income tax.

The estimated net VAT collections in 1996 amount to \$1,768 million, the equivalent of 5.2 per cent of GDP or about \$519 million higher than net collections last year. Again, I must point out that last year the VAT office paid out a total of \$936 million in refunds of which over \$250 million were arrears of refunds relating to previous years. The VAT office is now current in its refunds and the payment of arrears of refunds would not be required in 1996. I indicated earlier that the collection of outstanding liabilities from state enterprises and agencies would add a further \$64 million in net VAT collections, while the projected increase in economic activity will add the net sum of \$78 million. We also expect to collect an additional \$128 million in VAT by way of our strengthened enforcement and compliance efforts which will be supported by the co-ordinated and integrated approach to revenue collections by the Board of Inland Revenue, the VAT office and the Customs and Excise Division. This is

notwithstanding the increase in the VAT threshold from \$100,000-\$150,000 per annum.

I have spent some time explaining the major increases in our fiscal estimates, particularly as they relate to the out-turn for 1995, how the estimates are compiled, as well as the differences between the fiscal estimates and the budget estimates. While initially it may appear to be somewhat complicated and confusing, I believe that this explanation is necessary in order to put to rest the ridiculous criticisms of “funny” money and “monopoly” money levied at the budget. I want to assure the population that this budget was formulated after rigorous analysis and careful consideration of the various issues and therefore reflects the realities of our current situation.

10.30 a.m.

Mr. President, we have been given the mandate to do a job and we intend to do just that. Although the resources to perform this task are limited, we intend to obtain the maximum benefits from these resources. We implore each citizen of this country to understand that we can do only so much at a time and we extend an open invitation to all to become involved in the development process as we strive together to build a society that is prosperous, free of crime and socially equitable for all. A start has been made. Now is the time.

Question proposed.

Sen. Danny Montano: Mr. President, as we come to deal with the 1996 budget, we who represent the views of the Opposition do not desire to oppose the Government needlessly or foolishly, but rather to present another point of view and to advise this honourable Senate, and through the Senate the people, of the flaws and distortions which we see, in the hope that by throwing light on what we perceive to be dark corners and generous calculations, we may alert all concerned as to the serious effects which we think will flow from this budget.

We in this Senate stand as the leaders of the country and the country looks to us to ensure that things are done right. The country looks to the Government to govern. The people expect equity in the distribution of resources. They expect opportunity to take part in the national economy. They expect effective financial and economic planning and management so that things will get better. They expect tolerance of ethnic and religious differences, as well as candour and truth from its leaders.

We in opposition look to the attention which the budget must pay to the poor, the elderly and the unemployed. We must be satisfied that we can see measures that will ensure growth in the economy and which will encourage growth in savings, hope in the young and the unemployed, and give attention to the basic needs of our society as we strive to ensure improvement in all sectors. We must do what is right, good and in the best interests of the people. That is why, Mr. President, I rise today unable to support this budget.

Unfortunately, as the hon. Minister has stated, the figures in the budget are confusing and the fiscal measures seem to take away more than they give. Budgetary allocations appear to spell rising unemployment in urban areas; relief to the elderly from rising prices seems to be absent. Savings incentives are removed; pension funds are dealt a blow and playing fields, with respect, have not been made level.

We on this side see the encouragement of consumerism and a departure from the encouragement of savings. We see inflationary pressures with its attendant foreign exchange consequences, and we see stagnation and unemployment. We see unrealistic promises and expectations leading to industrial instability.

The Unit Trust is a major recipient for invested savings for taxpayers who need growth opportunities for their investments. The tax credit serves to encourage savings in an organization that would shelter their savings from the ravages of inflation and still provide an attractive earnings yield. Further, the tax credit serves to encourage the average taxpayer away from the temptations of consumerism, towards thrift and savings. The removal of the credit will result in a blow to the accumulated future wealth of the nation and this will have the most unfortunate adverse effect on our economy.

So, too, with the proposed removal of the tax credit for the increase in credit union shares, another blow has been dealt. With the stroke of the pen the pillar of the credit union movement is to be removed. These organizations have liabilities which are funded by investments from their shareholders. The discouragement of the credit union savings may lead to financial unviability with attendant losses to the shareholders. We would have preferred to see a careful study of the matter and perhaps, at least, a relaxation of the interest rate with limited interest.

Mr. President, we note also the elimination of the dividend income allowance with considerable disappointment. The dividend income allowance is an important feature in attracting investment funds from both the private sector and

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institutional investors such as pension funds. While we have heard comments this morning about pensions for everybody, when that legislation is brought, we on this side will look very carefully at the attendant cost to the people of Trinidad and Tobago.

The dividend income allowance was a device to attract and maintain investment capital within the national economy, notwithstanding the inherent risks in an economy such as ours. It provides a preferential bias for local investment and so it contributes to the preservation of the exchange rate. Also, the dividend income allowance significantly increases the net revenues of pension funds. That enhanced income serves to enable lower contributions by persons seeking to secure future retirement income. It will now become imperative to increase pension contributions in order to make good the deficit to fund the actuarial reserves required to make the pension payments. This impacts directly on the working man in our community.

The Minister rationalized in the other place that the dividend income allowance did not accomplish the purpose for which it was intended—that is, to encourage local companies to list their shares on the Stock Exchange and to make greater use of that institution for raising capital. The specific measure to which he referred was instituted a mere one year ago in the 1995 budget. However, given the stringent requirements of the Stock Exchange for listing, how could the Minister expect a flood of listings to occur in one year? It is the level of savings that provides the investment capital for private sector growth. In an island economy such as ours, with liberalized trade policies, we are well advised to maintain fiscal incentives and policies which encourage indigenous savings.

Beginning as far back as 1970, insurance companies and banks were required to localize their ownership and to reinvest their funds within the local economy. Those measures effectively maintained a substantial pool of savings within the borders of the local economy. I would point out that insurance companies doing business in Trinidad and Tobago are required to be registered with the Supervisor of Insurance and to comply with the provisions of the Insurance Act. Accordingly, these companies are regulated locally.

Insurance companies have become a major provider of mortgage finance. These mortgages fuel construction which fuels employment.

10.40 p.m.

The availability of these investment funds preserves the leakage of foreign exchange, contributes to the financial liquidity and tends to drive interest down.

Liberalization of insurance markets around the world has met with foreign newcomers having been issued with licences to operate in these markets. Local ownership and control has been progressively relaxed to the point where total foreign ownership has been welcomed in those places. Mr. President, the contrary is taking place in Trinidad and Tobago. Companies registered and supervised here, as I mentioned earlier, are required to invest in assets, at least 80 per cent of the value of the liability, in each statutory fund within Trinidad and Tobago. Consequently, not only are insurance companies the major suppliers of mortgage finance, they are also main providers of long-term savings and the principal earners of investment instruments such as government bonds.

Mr. President, we are witnessing that the local insurance companies are being by-passed completely and insurance is being placed directly overseas. The view is being taken that there is nothing in the legislation that debars anybody from doing that. Non-admitted overseas insurers will not be contributors to the national economy. They will contribute nothing to the development of Trinidad and Tobago. In fact, they are going to channel national savings away from our economy to theirs. To underscore the point, I understand that the Central Bank is likely to insure its building 100 per cent on the external market, completely by-passing any local insurer.

Furthermore, premiums paid to non-admitted insurers, non-regulated insurers, and overseas insurers are exempt from non-resident withholding tax. In fact, there are those who think that they are not subject to any form of taxation here at all, although when they are paid by a business their payment is likely to be tax deductible. Here are some examples of what takes place abroad, and one would see clearly that this playing field is anything but level, with respect to the regulation of non-admitted insurers:

1. Argentina Prohibited.
2. Australia Allowed, but premiums are taxed at source.
3. Austria Allowed, but premiums are taxed at 500 per cent of the normal income tax rates.
4. Brazil Prohibited.
5. Canada Allowed, but taxed 10 per cent.
6. Chile Allowed, but taxed 22 per cent.
7. Colombia Prohibited.

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8. Ecuador Prohibited.
9. France Prohibited.
10. Hong Kong Allowed, but the premiums are not tax deductible.
11. Indonesia Prohibited.
12. United States Generally prohibited with one or two exceptions.
of America

Furthermore, commercial banks in Trinidad and Tobago are permitted to sell US dollar annuities, and peculiarly, insurance companies cannot, yet that is their business. This is in clear contrast to the Minister's statement, that his policy is to promote free and fair competition. How is that so? Clearly, as I said before, that playing field is anything but level.

Further, with the removal of income tax to credit unions, the Unit Trust and the reduction in mortgage interest, I view with concern the relative cost to the Treasury. Is it Government's policy to finance the slippage of insurance premiums outside our economy by the removal of the credits and mortgage interest from individuals? The Minister, having had the opportunity to redress this arrangement, and having been informed of the problem, what are his reasons for taking no steps to address the issue and what is the Government's policy in this regard?

In the Minister's presentation of the budget made in the other place, under the heading, "Measures to Stimulate the Level of Savings and Investment", he made much of the proposal to exempt chargeable income under \$20,000 from income tax and to institute the system of credits for the incomes between \$20,000 and \$30,000. The way the new measures work is that a worker earning \$20,000 or less pays no income tax. The measures work, including the mechanism of the credit, so that the persons earning between \$20,000 and \$30,000 per year have an effective rate of income tax of 42 per cent. If 42 per cent is the effective marginal rate, the effective marginal rate between \$30,000 and \$40,000 is only 30 per cent.

The former administration understood how the calculations worked. They understood the impact of the credits. They left the saving incentives with the Unit Trust and the credit unions alone so as to encourage those persons to make use of saving devices which would effectively relieve them of the burdens of the

taxation regime. In so doing they would, in fact, make contributions to the national pool of savings.

It is these lower income level citizens who need the shelter and protection from the ravages of an aggressive taxation regime. They are the citizens with families, home mortgages, motor car loans, school books and uniforms to pay for. They form the largest income earners in the society. The budget speech, both here and in the other place was, in fact, conspicuously unclear as to exactly how employment was going to be generated. Is the Minister going to expand, transform or scrap the URP? We cannot allow the Minister to ignore this most important issue which is, for thousands of citizens, the only effective safety net available to them. We cannot be satisfied with the statement that this matter is receiving the Minister's attention or some other oblique answer. I insist that we know exactly what he is going to do.

We have seen that several major urban construction projects are being abandoned. There can be no doubt that this can have a very significant impact on the unemployment in the urban area where the greatest concentration of the population lies. If unemployment is likely to rise in these urban areas, consumer spending will fall as disposable incomes fall. Will this fall in the consumer spending still make the contribution to the revenues the Minister said he will raise in addition to what was raised in 1995? It appears to us that the optimistic revenue projections become even more optimistic.

10.50 a.m.

Mr. President, in the *Sunday Guardian* of January 14, 1996, Mr. Frank Rampersad says:

"...I don't see where jobs are coming from in the short term."

We echo that view. Mr. President, this country needs jobs. Nearly every undesirable ill in our society is as a result of unemployment. Young persons coming out of school have the right to hope for a bright future; they have the right to participate in the national economy to build their future, their own families and their nation. We on this side understand the desperation, despair and hopelessness that set into the minds of the young unemployed, particularly the young urban unemployed; we understand the social consequences of disregarding those interests. One does not have to be partisan to understand the risks and

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dangers of ignoring these groups, for 1990 is still very fresh in our minds. In contrast, I offer the record of the last PNM administration between 1991 and 1995 where 29,000 new jobs were created.

We find the comments of the Minister of Finance with regard to the comments in the other place, concerning taxation, avoidance and invasion by small and medium-sized companies particularly disturbing. We would be grateful if the Minister would say whether there is any particular pattern to the alleged invasion, for example, geographic or cultural, and whether his revenue agencies are going to address those patterns.

Mr. President, it is the small and medium family businesses that need special care and consideration in our economy. If we are to make entrepreneurs out of our citizens, then it must be done with bold vision and encouragement. In this regard, the increase of the threshold for VAT registration is a retrograde step; it will serve to increase the carrying cost of inventory and will put those businesses at a serious disadvantage. It is these small and medium family-owned businesses that are usually under-capitalized and which consequently need special financial consideration.

The former administration recognized the needs of this group and lowered the threshold for VAT, which was the correct thing to do. At this time when most of the adjustments have been made to our economy and the economy is growing, it is of special importance to encourage the small and medium-sized family-owned businesses in order to maintain their equilibrium as competition from outside our shores begins to threaten their viability. Mr. President, most of our small businesses are generally using older, and in some instances outdated technologies; we are naturally inclined to be more labour intensive per unit of capital invested for larger and more mechanized industries. Accordingly, they make a disproportionate contribution to the creation of jobs per unit of capital invested. We must not make the error of making glib statements that these businesses have to clean up their act, modernize their equipment in order to be competitive on the global economy, as if by the stroke of a pen or the wave of a wand that can happen.

With reckless disregard for the consequences, the Minister removed duties on several food items that are produced here, and at the first sign of a protest the duties are reinstated. While we laud the reconsideration, we view with concern the apparent vacancy of a comprehensive policy with regard to our local entrepreneurs. Our local small to medium businesses have faced the challenges of

a liberalized economy that has given them little favour, even though larger economies such as Canada have special reliefs for small and medium-sized businesses. This budget is notoriously silent in delivering a policy of assistance to these businesses, except to warn them of increased compliance efforts from the revenue agencies.

Mr. President, we do not feel that that is an appropriate framework for medium to small family businesses. We believe that these institutions should be given fiscal encouragement not tax threats; encouragement for increased employment levels and measures that could facilitate and encourage export even to our Caricom neighbours. The rate of exchange impacts on the lives of every person in Trinidad and Tobago; so goes the exchange rate, so goes the cost of living. To achieve stability in the exchange rates, interest rates must be controlled carefully to attract and maintain capital; cash outflows for the purchase of foreign imports must be discouraged; inflation must be controlled.

In order to prevent excess liquidity with a consequent push on inflation and the value of our currency, public spending must be controlled. In that regard, I quote from the *Briefing on Economic and Policy Developments in Trinidad and Tobago* prepared by the Central Bank. On page 16, it says:

"Growth in public expenditure has been restrained, expenditure in 1994 was only 4.3 per cent higher than spending in 1992."

According to my calculations based on the information that we have received, that expenditure for 1995 appears to be only 2.9 per cent higher than in 1994, but after taking into account all the offsetting entries, the exchange of cheques and the accounting adjustments, it would seem that expenditure in 1996 is likely to rise by at least 8 per cent within one year, and I ask: Is that prudent?

We have noted also that prior to November 06, 1995 the exchange rate was moving between TT \$5.89 and TT \$5.92 to US \$1; since this date it has scarcely moved a hair's breadth away from \$5.9999, and the Central Bank has already had to intervene; the trend is disturbingly clear. What conclusions are we to draw? Is there already a lack of investor confidence in this new administration?

It is commonly accepted that governments do not spend efficiently, and that the private sector makes more from less, but if the Government has to spend more it means that they have to tax more, that is how they raise revenues. With increased tax revenues and greater Government spending one moves the economy from an efficiency-gearred regime to an inefficiency-gearred regime.

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Notwithstanding again, the offsetting entries and the exchange of cheques and so forth, we still see that within the taxation of individuals there is likely to be an increase of \$20 million, and that is in the face of accounting that income tax rates have come down. Mr. President, it has been given with one hand and taken back with the other, except that the take-back is almost invisible within the context of the budget.

11.00 a.m.

Mr. President, I stated earlier that the figures contained in the *Draft Estimates of Revenue and Expenditure* were confusing, and, with the greatest of respect to my colleague and the Minister of Finance, it is unfortunate that a professional chartered accountant, the hon. Minister of Finance, would have brought documents obviously requiring explanations for the huge increases and only made some when he got here. They were, after all, on everyone's mind and we had explanations about offsetting increase and exchange of cheques and so forth.

We on this side have the utmost respect for the team of technocrats who so ably assisted the Minister of Finance, however, let me point out that they do not set policy, and they make no speeches to parliament or other persons. Their responsibility ends when they present their documents to the Minister and one would assume, with the appropriate explanations. They would not leave the Minister of Finance in a vacuum to make presumptions and to ask tiresome questions. That would be highly unprofessional.

One would expect, as part of the delivery of fiscal measures outlined in the budget, the usual pattern of explaining the effects of the fiscal measures would have been used which would have easily brought to light the business of the offsetting entries and the unusual items and so forth and all of the anomalies would have been made clear. Instead, we are told that the discourse made, was made to the man-in-the-street as if the man-in-the-street does not have the intelligence to know a fudge when he sees it. And that no explanations are required because it is delivered by a chartered accountant. It is in this vein, Mr. President, that I rise in the interest of every man, woman and child to ensure that what is done, is done in our collective interest.

In this regard, and even up to this morning, the Minister indicates that the Government is going to collect revenues at \$9.936 billion, however, the draft estimates of revenue show revenues of \$9.796 billion. It is therefore a difference of \$139.2 million. In other words, there is another \$139 million to come—from

where—No explanation. Either that, or, maybe the figure in the draft estimates is the correct figure. Which is the correct figure? One of them has to be wrong, and if there is a proper explanation, when the Minister responds, and he provides the explanation, why did he not make the explanation in the first place?

With roughly 250 thousand households in the country, \$139.2 million works out at roughly \$556 per household. It is not a trifling sum. To continue, the Minister has forecasted the collection of VAT revenues and in his delivery this morning he said, that notwithstanding the offset in entries, the exchange of cheques, the accounting adjustments and so forth, there is likely to be some \$206 million increase in the collection of VAT over 1995. The problem I have with this figure, is that the Minister referred in the other place to certain measures that were going to be instituted to increase the compliance measures, but I understand that those measures, for the most part, have been instituted and, in fact, those measures give an increase in VAT revenues between 1994 and 1995 of \$240 million. So I would ask the Minister in his reply to state exactly what measures he is proposing to introduce and how his proposed tax court is going to operate as distinct from the Tax Appeal Board? The country must be told and deserves to be told exactly how a particular estimate is going to be achieved. Regrettably, we cannot afford the luxury of the Minister coming into power and saying this is what he is going to pick up without the estimate being backed up by the cold entirety of impartial facts. You will notice that we now have \$339 million to account for, that is to say \$139 and \$206 million, so that would be \$345 million.

My next question, Mr. President, concerns the figures for the national lottery. The draft estimates of revenue report a budgeted figure for 1996 of \$347.9 million, however, the Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies, show revenues of \$255.9 million. There is a difference of exactly \$92 million that requires explanation. Once again, one of these figures has to be wrong: both cannot be right. And he that governs best, is he that comes to the Parliament of the people without obfuscation or accounting sleights-of-hand and presents his figures in a clear and unambiguous manner.

I have noted that the Minister said in another place, that the reason for the difference is that some dividends were not paid at the end of 1995 and would be collected this year. Now, assuming but not necessarily accepting that is so, the following questions arise immediately in addition to my main question:

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Firstly, how much was the dividend that was not paid last year that is to be paid this year? Is it the \$70 million which is the difference between the 1995 estimates of the statutory boards and similar bodies, and the 1995 estimates of draft revenue? Or is that sum \$92 million which is the difference in the 1996 figures, and, if so, where has the additional \$22 million come from? Again, both differences cannot have the same explanation. The 1995 revised estimates in the *Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies* for 1995 showed revenues of \$255 million. When we turn to the draft estimates of revenues, the revised 1995 figure in this document is \$187 million.

Is the Minister aware that reports from the ticket agents reveal that revenues from the on-line gaming system, which is the Play Whe and Lotto, have shown decline in revenues over the last two months of at least 25 per cent with no present indications of increases to the former levels? Is it, therefore, prudent to assume that revenue increases of \$92 million were an indication of a reduction of, perhaps, \$65 million; the net overstatement being \$157 million?

11.10 a.m.

I understand the cash basis of accounting used by governments the world over with the exception of New Zealand and I particularly understand the cash needs of any government, particularly ours. It begs the question as to why the last quarter's remittance from the National Lotteries Board would not have been made to the Government on time in 1995, that is, on or before December 31, 1995. The National Lotteries Act requires that the payment be made at the end of the financial year, not early in the following year. Had the sum been paid as the law requires, that sum would have moved the 1995 fiscal accounts from a deficit of \$26 million to a surplus of, at least, \$34 million if we use the \$70 million, or a surplus of \$56 million if the dividend was \$92 million. It is passing strange, Mr. President.

Has any explanation been requested from the National Lotteries Board as to why it did not pay promptly and, if so, what is the reply? If no request for payment was made or any inquiry as to why the payment will be made late, what conclusions are we to draw as to the reasons for the irregularly late payment? In addition, I ask whether the 1996 budget revenue of \$347.9 million includes the projected last quarter dividends from 1996 which would then effectively have five quarter earnings in 1996. Or, has the last quarter of 1996 been carried to 1997 in a treatment consistent with that of 1995? If it is not carried forward, why

is 1996 treated differently from 1995? Why then is the revenue doubled up in 1996 to the detriment of 1995?

Mr. President, we are talking here about building our nation and we on this side want to see the lives of every citizen built on a solid foundation and not on an illusion. We do not want to face the consequences of putting our ladders against the wrong walls. Having paid the price of getting into shape, we do not want now to become tired and out of shape and broken again. We do not want to come to the point where we fail to achieve our goals, where we are lost in the woods without a compass or a map. We do not want to destroy what we have built merely for momentary glory. We need a steady hand; a hand that is not tempted by frivolous momentary sensationalism; a hand that is not devious and stooping to surreptitious concealment of important facts; and speeches that are not filled with pious fraud, but candid, clear, concise and truthful dealings with openness and honesty. That is what we, and by extension the people of our country, require from the Minister and his Government.

Sen. Philip Marshall: Mr. President, I take this opportunity to wish you good health and to thank you for your guidance which you have given us new Senators, in the past few months of the latter part of 1995. It has been a learning experience.

May I also on behalf of the Independents convey to Sen. Diana Mahabir-Wyatt our expression of sympathy.

After that contribution, Mr. President, I am not sure whether I want to admit that I am a chartered accountant. I know I am neither an economist nor a geologist and my contribution will not address in detail the aspects of the revenues, expenditures and the balancing of the budget but I hope items which will be more significant in terms of the long-term transformation of our nation as stated in the three-year Macro Economic Framework set out by the hon. Minister.

The present Government has set out the following as their vision: (if I may read from their Macro Economic Framework.)

"The development of a diversified economy which maximizes our natural resource endowment and human resource potential to the fullest."

This is the stated government mission. They have set out as strategies to achieve this objective: sustained economic growth, national competitiveness, fiscal and monetary policy which encourages overall stability, and most importantly employment creation, public sector investment and a social delivery system that is

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cost effective and brings to the more vulnerable members in our society much needed services.

The hon. Minister in the *Medium Term Policy Framework* has set out four broad areas for the implementation of these strategies. Under “Fiscal and Monetary Policies”, the Government has set a direction aimed at achieving a fiscal surplus or at least, certainly not a deficit; a strategy for debt management; a strategy that will aim to protect most importantly the exchange rate; a question of the management of state-owned enterprises to ensure that they do not continue (where this is the case) to be a drain on the central resources of the Treasury; and a financial system of reform in terms of the strengthening of the financial institutions to ensure that local or domestic investment is encouraged so that people can rest assured that their savings would be safely realized, should they wish to do so much earlier than may have been anticipated.

This is a very important question. Although some of the constituents in the credit union area may be concerned at the removal of what would be a very important incentive, we must also be aware of the other side of the picture where good, sound, prudent and total management is followed to the “T” thereby providing for integrity in looking after people’s money.

The Government has set out under “Competitiveness”, the desire to establish trade policies both domestically and for our exports; the development of performance measures in the public service—a hassle-free public service. It has set out strategies for information and communication, for learning in terms of education and training (National Training Board) and for the provision of the framework for information and technology and access to export information to enable our country to compete.

11.20 a.m.

It has set out a promise of sectoral policies for the energy-based sector, for agriculture, tourism, transport and, most importantly, the social sector. In terms of the environment, the Government has promised infrastructure investment in roads, bridges, utilities. It has promised the implementation of the new architectures of local government in terms of the distribution and decentralisation of management and bringing to the communities that benefit from these services the ability to involve community leaders in a more direct manner.

It has promised the strengthening of national security and the implementation of environmental management policies which are so necessarily required in terms

of developing the industrial policies of our nation. So what more could you ask? How could you question what would be a breath at policies aimed at satisfying the interests of many different stake-holders from the perspective of the agendas of their respective constituencies? The hon. Minister of Finance has promised much and this, Mr. President, really, is my great “but”. Have we possibly, unwittingly, raised the expectations of all, by a budget speech that was professionally and confidently delivered?

I would like to start by addressing from my perspective the question of the Revenue Estimates which the hon. Minister has claimed really was “much ado about nothing”. I did not have the benefit of the technocrats at the disposal of the Minister, so what I basically did, and I am not a forecaster in any way, I took the gross domestic product of 1995 and imputed an inflation rate of 5 per cent and a real growth rate of 4.5 per cent. I did not have the segmentation of that growth rate that would equate to roughly \$33.7 billion. May I just explain the definition of gross domestic product. The gross domestic product of a nation would represent the sum total at current market prices of all the output of that nation less the external inputs, meaning the imports. So what it really represents, apart from one or two internal assessments is, in a sense, the value added from the perspective of nation.

I came to an estimate of value added (that is GDP) of approximately \$33.7 billion. I then attempted to look at the relationship in the past years between the total revenues and the gross domestic product, and I calculated a figure that turned out to be revenues to be collected by the Government somewhere in the vicinity of 23.5 per cent of GDP. Last year the figure was 22.5 per cent and, in fact, if you made that adjustment of \$500 million plus, representing the contra entries in terms of the receipt from certain Government entities for arrears of taxes and deducted in the other side of the balancing entry (included in transfers and subsidies) you would come to the realisation that the budgeted gross revenue for 1996 virtually represents the very same ratio of 22.5 per cent with the total gross domestic product as occurred last year.

In my estimation, Mr. President, the Minister has established a revenue budget where the relationship to the anticipated gross domestic product appears within reason. In fact, I believe in 1991 that relationship was even higher, where the total revenue was something like 25.5 per cent of gross domestic product. This figure, adjusted, is something like 22.5 per cent. But, the real question is, on

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what assumption are we going to achieve that anticipated growth rate of 4.5 per cent? That is a question which is very important, because the well-being of the citizens of any country or economy can only be improved with an increase in the gross domestic product per capita. That is the abiding and final measure of whether a government is bringing or increasing wealth to its citizens—the gross domestic product per capital.

What, of course, happens Mr. President, is that we appear from year to year to have an increasing output per capita, but that must be adjusted for inflation. In fact, the figures I have in front of me, if one were to examine the Review of the Economy and we were to use the gross domestic product, not at current prices today, but what is known as real prices, meaning they have been adjusted for inflation and using 1985 as the base year—it is called the gross domestic product at constant prices—one would find, in fact, that over the past five years the real gross domestic product per capita in our country has grown, possibly, only in the vicinity of TT\$100—TT\$200 per person.

In other words, although we have had increase in nominal amounts in dollar value amounts, we have not become any better off. This is why I hope that I anticipated the Minister's presentation correctly when he gave me the feeling that this will not be "business as usual"; and I hope it will not be "business as usual". You see, the significance of those revenue forecasts is that if those revenues are not met we may continue to resort to the simple expedient which Government has had to do in the past, that if the money is not there they cannot spend it. So what gets cut is the capital development programme. We cannot run into a fiscal deficit because we want to protect the pressures on our exchange rate: We want to keep domestic inflation to a minimum, so we are sometimes forced to postpone or cut our capital development programme.

I talked about expectations. Many people felt that the hon. Minister's budget was an easy one. I viewed it as a very difficult budget because for this Government to be successful, the agenda in this budget must be about transformation. Very often, Mr. President, we may be satisfied with our current status. We may say things do not work too well in the country; we are not as well off as we ought to be, but we can tolerate it. Sometimes with human nature the "certainty of pain", by continuing to exist in our current state, is easier to bear than the "pain of uncertainty," where we have to go through a significant transformation process.

11.30 a.m.

What is that transformation process? Our long-term objectives as a nation, our assumptions for economic growth and development will not take place—I repeat will not take place—if the Government is not able to make the necessary investments in infrastructure. If it is not able to capture the confidence of the private sector to make similar investments within its individual firms and industries, the competitiveness of our business sector will not be honed to adapt itself to the competitiveness that exists in the global environment. We cannot isolate ourselves. The era of protectionism is over.

As I am on the topic of exports, I would recommend to the Minister in terms of the fiscal measures, that in the manufacturing sector, for example, (which has acquitted itself well over the past decade, re-tooled itself on the basis of previous government reports and saw the light coming,) that significant incentives be given in terms of investment allowances in plant and machinery. These would enable it to invest in new levels of technology to cope with the significant increases in sophistication, product-volume and market opportunity which it may well be able to take advantage of, given the bilateral trade agreements being established in the markets in the South. This is enabling manufacturers not simply to have a Caricom market of five million people, but possibly a market of 55 million people.

To their credit, all three past administrations—and I hope this administration will do likewise—have, in fact, kept the level of inflation at a minimum, that is, domestic-generated inflation. You must remember that, because of the significance of our imports—let me hazard a guess—which probably represent maybe one-third of our gross domestic product, this country would have a significant amount of imported inflation. But where we have differentiated ourselves in terms of competitiveness as a nation over the past decade, is that although we have devalued, we have taken advantage of that devaluation by not, in fact, having a concomitant increase in the level of our inflation. This is why we can, and are competing so well within the Caricom; and although Jamaica, for example, devalues and devalues, we can still compete. Our goods become no more expensive because we have managed to hone our competitiveness by keeping our inflation rates low, in real terms.

This augurs well for the investment needed by the private sector because if you maintain low inflation rates, what it means is that you can also maintain effective low interest rates. Because the real interest rate is the actual

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interest that you get as adjusted for the level of inflation. So a key tenet of this government must be to focus on inflation, to keep it low and protect our exchange rates.

This is why I share the concerns of others about the openness in terms of the reduced duties on items that could be thought of as consumer expenditure. We must not open the floodgates of consumer spending that is needed, in fact, to go into our domestic investment. Because if you can fund as much investment as possible locally from domestic residents and not have to rely on development funding from external sources, you obviously protect yourself as a nation from any shocks that may be affected through the foreign exchange rate.

So that is something that the Minister and the Government would have to watch very carefully. We are working in a market-driven, market-friendly, competitive environment, so we have to follow the basic framework of liberalization. It would be going a step backwards to selectively re-establish import duties and controls. But I am just saying that is a point to be borne in mind.

Let me go back, however, to that real question of growth. How do we get a 4.5 per cent increase in real GDP, and most importantly, how will that affect the ranks of the employed or the unemployed? I did an analysis of one sector from the *Review of the Economy* that tables unemployment, and I just looked at the manufacturing sector, for example. In the period 1993—1994, the manufacturing sector grew in real terms by \$331 million, an increase of 2.7 per cent. This was actual growth—2.7 per cent increase in the equivalent physical output of goods and services. I looked at labour employment for that same sector for the same year and was pleasantly surprised to find over the same period, that there was an increase in the numbers employed.

There is not always a direct relation. In fact, in a developed country where you would not have the levels of unemployment as we have in our country, the level of unemployment is not affected unless the real growth in GDP exceeds a figure of 2.25 per cent. In other words, the economy has to grow by at least that, and only for every percentage growth over that trend line of 2.25 per cent, is employment increased by half per cent. In other words, although our economy may grow by 4.5 per cent, it does not mean that our employment level is going to be increased by 4.5 per cent. If there was such a matching ratio, what it would mean is, in fact, that we would be providing something like 19,000 new jobs.

That is one of the challenges that any government would have to face. How do we balance the challenges of a global marketplace that is demanding ever increasing levels of innovation and technology in the final product, that would have a lower labour component and yet balance those demands in Trinidad and Tobago for the absolute need to create jobs? Maybe we should revisit the whole question of the free trade zones. I have not done any specific research on it and I believe that one ought to remove this concept that free trade zones represent sweat labour and sweat capital.

We need the world to be aware of the possibilities of our intellectual capital and the skills of our people. With Government encouraging those investors, companies in service industries could locate in Trinidad, use the skills of our people and develop our exports; develop our gross domestic product which may be increased, not necessarily in physical goods, but services. Such an opportunity, for example, could well reside in the whole question of an offshore financial sector.

11.40 a.m.

In Barbados, for example, there is a developed offshore financial sector that brings in approximately US \$100 million per year; US \$33 million from the actual relatively low levels of tax on the companies, but most importantly, the by-products in terms of additional employment, office services, information technology and other supporting equipment and intellectual advisory services provided by the banks and insurance companies. We have talked about this for a long time and I recommend that we really make a move to take this forward.

Mr. President, apart from the investment we must make in development to ensure that we do not have a scenario as "business as usual", we must continue apace with public sector reform.

In presenting the budget in the other place, the hon. Minister talked about the amount that was available to him after he catered for interest and debt repayment. We must never adopt the position in which we regard the cost of public service as a fixed one about which we can do nothing. There are many capable professionals and technocrats in the public sector who, if they had the opportunity, would be leaders in the private sector. By the same token there are many people in the public sector who, given inappropriate direction, not having the support of proper decision-making structures or having to deal with outmoded regulations and not having the benefit of computer networks and equipment, have to deal with

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obsolete and archaic information retrieval methods that have to be paid for by the taxpayer in the end.

One of the major challenges this Government must face is to provide a comprehensive system of performance measurement and management in the public sector, which it is capable of doing. We need every Government agency and statutory board to quite clearly define its unit's mission, output and services that they intend to provide to the taxpayer, and set and establish standards, not only to account for the money it gets from the Treasury, but also to account for the output in relation to the money they were given. The reward of being measured would be significant.

One has the assumption that people do not like to be measured. When one is not measured, one is being told that what they do is worthless. When one is measured and given direction, and is assisted in being developed and changed, one's self-esteem is increased. We need managers and leaders in the public sector to do just this.

We may talk about lowering tax rates, but the real tax rate one pays is not the actual direct tax rate, but what returns one gets for taxes. When one goes to a Government agency on a Friday afternoon at one o'clock, says "Good afternoon", stands behind the counter and there are six people reading the newspaper who take one hour to raise their heads, one really feels annoyed as a taxpayer.

I am making this point because many people feel that, maybe, they should not pay tax, nor comply, because they do not get value for their tax money.

If Government agencies offer proper service to the taxpaying public, then when the hon. Minister of Finance knocks on the door to collect, he would have every reason to demand what is due to the state.

To re-emphasize this point, one needs to look at the cost of the public sector and our development budget and ask whether it would be "business as usual" if we do not transform that sector for the benefit of all.

I talk specifically with respect to the vulnerable disenfranchised members of our society. If the public sector and public sector organizations that perform any form of commercial tasks do not do so on the basis of not wasting taxpayers' money, where are we going to get the money to help develop the community services and give the support needed to our disenfranchised?

Very often we make the mistake of feeling that in being nice and not demanding measurement we are being kind. We are not doing that at all. What happens is that the poor people of this country are paying for improper performance, whether it be the private or public sector. The private sector also has to re-engineer itself, if we are to take advantage of the data bases being developed by TIDCO, with this wonderful marketing information.

There would be no point in the private sectors making significant investments in re-inventing their own businesses so that they could compete on time, more effectively and cut their cost when delivering their service to an overseas company, for example, if they now have to wait on government's permission and regulations and be pillared from post to post, before being able to finally deliver their product.

The partnership in both the private and public sectors must move forward on a re-engineered basis where the most important competitive weapon in today's marketplace, the resource of time is realized by all. We must make sure that our development, in terms of education and training, can uplift our human capital stock and we can incorporate the information about our products and the very capable under-utilised resources we have in terms of graduates from our universities who cannot find jobs, and put this country on the plank of leading edge competitiveness.

I would not like to see one cent cut from the budget with respect to education. I have a vision where the importance of teachers as a people who can develop and formulate our human capital is recognized. How can we have a system in an environment where because of pay, reward or recognition, we cannot attract anything but the best in terms of teachers at primary, secondary and tertiary levels?

I would like to see a connection being established between the University of the West Indies and our vocational and technical institutions whereby the Ministry of Labour and Co-operatives, with their planned national human information resources and database give exact details of what are the skills needed and the real level of unemployment or unemployability. That is all we have, and we can use that very important resource to attract capital investment in services in addition to our other competing merchandise resource. The Government, in terms of its proposals for regulation of competition must be aware that state-owned enterprises represent in themselves monopolies and that

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they must perform in the same manner as if there was competition. We must bring value for money and value of service to our customers.

11.50 a.m.

In terms of export competitiveness and encouragement for our manufacturers, I thought that the Minister of Finance, in addition to proposing, maybe, investment allowances for upgrading significant levels of new technology required, should reconsider whether the business levy should not be removed from export-oriented industries and whether the export allowance should not also be extended to firms in the construction or service industries. In fact, any entity or organization which we want to become transformed into an export-oriented entity.

Agriculture, I will leave to my many colleagues. I would not deign to be an expert on agriculture, but obviously, the rules and regulations; praedial larceny, the infrastructure required to support agriculture on a profitable basis need to be attended to. The opportunity to enable farmers to participate, maybe, in the school feeding programme is one of the very important sectoral incentives.

Finally, I re-emphasize the point of learning. We have to become a nation of learners. We have to gain the commitment of leaders in the private sector and in the public sector to come forward and volunteer their time and effort to train; maybe, four half-days per year. I will be prepared to do this. I have done this before at the University of the West Indies on the executive MBA, but how can people ever have a chance of becoming employed if we do not expose them to the world of work?

It is said that learning disabilities in a child are hard enough to bear, therefore, Mr. President, you can imagine how learning disabilities in a nation will be fatal. This is why we must communicate and make sure that our intellectual resources and capabilities are harnessed, and that is why I was disappointed at the supposed postponement of the library project. I believe we should look at it again from the perspective of an information resource centre where there can be computer technology, internet; where there are many government bodies; where, in fact, our (CSO) statistics can be accessed, maybe, on CD. There are many people in this country who would be willing and are capable of advising the Government in this respect. Let us regard "learning" as a watchword for moving forward in the development of our nation. Let us make sure that we do not compromise our development expenditure if we fall short of our anticipated revenue. Let us put in

place an investment environment where should that happen, the private domestic sector can, as it were, fill the gap for a short while to take us forward on our development and transformation path.

Thank you.

Sen. Diana Mahabir-Wyatt: Mr. President, I thank you for your kind condolences and also, Sen. Marhsall, on the death of my mother. I do appreciate them and I will pass them on to my family.

Mr. President, I believe that the new Government deserves a break and deserves the benefit of that kind of wait-and-see “100 days” attitude with which I think, by and large, this country has greeted this budget for 1996. While I recognize the propriety of this approach, the responsibility of this Senate is not just to listen and accept but to debate a budget. While I applaud those aspects of the budget which are very positive and which are in keeping with what I believe is a very realistic economic approach to development on which the country has embarked, particularly when it comes to helping to alleviate the burdens of some of the less well-off in the country. I hope that you would allow me to put forward some, perhaps, very uncomfortable questions which have to be asked in relation to our economic thrust.

The first of these, in fact, which was just referred to by Sen. Marshall was not in the budget nor is it in the supporting documents. It is a development project that has to do with the expenditure on development which is going to be part of the expenditure to support this country over the foreseeable future. I am referring here to the announcement which was made by the Minister of Works that the construction of the National Library Complex—on which I believe some \$7—\$10 million has already been expended—is going to be—we have heard, scrapped, postponed, reviewed. Whatever is going to be done still puts the existence of this complex in a considerable amount of doubt. If one says review, that could mean scrap. It does not mean review and go forward. Despite the various comments which have been made since, the country is still not clear as to what is going to happen in relation to this complex. The reason that we were given for the sidelining of this particular complex was that it is better to have 10 libraries throughout the country of a manageable size rather than one extensive complex. This, was in fact, quoted in the *Trinidad Guardian* of January 14, and if the Minister was quoted correctly—and I certainly hope he was not—it is a total misconception of what a library complex like this is for. This decision—if it is a decision and I hope it is not—strikes at the heart of not only the education

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development that Sen. Marshall referred to, but also the cultural development not only of our young people, but the country as a whole. There is the possibility of giving students in rural schools technological links for keeping up with students in urban areas and internationally in terms of the place of education when it comes to information data and technology.

Mr. President, we have a new Government, and as citizens of this country, I think that we all want this new administration to go well. We want to believe that this administration has the best interest of this country at heart. We want to believe in them. The Library Complex has raised so much controversy, because a library complex is not just a fancy building full of old books that can be borrowed from time to time, with outlets in any location country-wide. That concept of a library is so outdated that it is hardly even credible. A library complex as envisaged, and there are documents to support this, is to be a centre for research and dissemination of information, a data-base source for citizens, students, NGOs, cultural and social organizations, business and professional people. It is to be a centre that could be accessed on the internet, an access point for those in the community who cannot afford to access this directly, and as I understand, with the eventual provision of link technology, to provide such access to schools throughout the country and other educational centres.

12:00 noon

We cannot afford to provide that sort of technology in 10, 12 or 15 different areas in the country. To have it in one central area and to provide it throughout the country is obviously cheaper and more cost effective than to try to do it otherwise. To slice off the possibility of this access which has been planned for about 30 years—I gather from the librarians—is to potentially condemn thousands of children in this country to being hewers of wood and drawers of water because of lack of vision.

I note that the money for this complex was not from the ordinary development budget. I went through the budget for this year, 1995 and 1994, and it was not in the development budget. I gather this was a specifically financed Fincor project to be repaid on contract at special rates over 20 years. The money cannot be picked up and put into any other project. It just does not work that way. A contract is a contract.

I remember very clearly the first strings of confidence which the local business community and the international business and financial communities

greeted the Prime Minister's assurance, that this Government was not going to break any existing contract; that nothing was going to be changed for change sake and spite decisions. If this project is going to be cancelled, it is breaking a contract with Fincor and the people of Trinidad and Tobago. We really want to believe. Is this Government breaking its word to us in this instance? Can we not build for the future of our children as well as for the present? I know that we have to take care of the present and what is happening. The provisions for the disadvantaged have been one of my central concerns for many years, but I also realize that in order to deal with the disadvantaged for the future we have to take certain measures in the present.

The present and former Minister of Foreign Affairs has stated a number of times that he went to great lengths to ensure that the ACS was going to be sited in Port of Spain. We have also been told that the Minister Extraordinaire and Adviser is fighting to get the International Criminal Court sited in this country. With the greatest respect, I suggest that the Minister should find something else for his energies and that the Minister of Foreign Affairs ask that the ACS be given to perhaps the other alternative country which I think is Brazil, otherwise we are just going to embarrass ourselves. We cannot have representatives from international countries come here to work, attend conferences, see our country, experience living in it and there are no proper library facilities, museums, theatres, art galleries and cultural facilities. If we want to be backward with no cultural facilities, let us not pretend to aspire to be an international or inter-regional centre. Let us not embarrass ourselves. Give the prestige and other advantages that come from being an international centre to those countries that are willing to provide the sort of facilities culturally and otherwise that are expected to go with them. In my mind, it is better that we get those things rather than lose them. I accept the statements made by the Minister except that a country cannot progress socially or politically unless, as the great economist Raoul Prebisch said, it already progressed economically. As an inevitable result, I think we are all concerned with the economic progress this country is making.

About the revenue projections that have been referred to earlier, both in the budget and in the documentation that was provided, the Minister of Finance has given us an explanation for the controversy which arose following the debate in the House of Representatives. I believe him. Having listened to Sen. Marshall I see no reason why I should not believe him. I thank him for his explanation. I think it was well done.

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However, there is one other area that I would respectfully request the hon. Minister to give some assurance to this House and the general public. I mean this with the greatest of respect and seriousness, because I really believe that the stability of this country depends on the faith that the people in this country have in individuals and institutions such as this Parliament of which we are all Members that govern this country.

During the term of office of the last government, the present Leader of Government Business in the Senate spoke long and often hard, not only during the budget debate, but throughout the year, about the extent of corruption that existed in the then administration. In fact, he promised exposure of the details that existed should his party get into power, which has now happened. I take the hon. Senator very seriously.

He is on record in *Hansard* as saying that there was corruption in various ministries. If I recall correctly and perhaps my fellow Senators can assist me, he spoke about projects in the Ministry of Works and Transport, the Ministry of Finance, the Ministry of Housing and Settlement, energy contracts, Customs and Trade. I have copies of his speeches that were made in *Hansard*. I do not have all of them. There are just a few. I could not bring them all because I cannot lift that much. This is a very serious matter and something which I think this Government came into power partly because of their concern for this particular aspect of our society.

We cannot afford to have this country, at this particular sensitive time in our history with this very sensitive political imbalance...we are on a political social and economic cusp in history and we cannot afford to have this country suspect that there is a “we will not tell on you if you will not tell on us deal” going on. The country needs the transparency and honesty that this Government asked for when it was in the Opposition and it promised to deliver. If they cannot deliver we will want to know why the allegations were made in the first place, and what we can believe because we want to know.

12.10 p.m.

Mr. President, if you will allow me, I would just like to quote, from one of these *Hansard* records which is relevant to this budget debate. I quote from Sen. Wade Mark’s contribution at 1.50 p.m. on July 26, 1994.

“... the absence of integrity, lack of accountability, continued criminal acts and illegal conduct by a host of public functionaries in the affairs of our

nation; and the urgent need to implement measures to curb and ultimately arrest what has, undoubtedly, become a national scandal, a virtual cancer, and a scourge on the soul of this nation.”

Mr. President, in so doing, I would like to point out that Sen. Mark also quoted words by the President of the country, who said:

“There is today in our society increasing evidence of moral disorder, or misconduct involving dishonesty, violence and disloyalty. Integrity is now perhaps an endangered virtue.”

So, Sen. Mark was not making these statements in a vacuum. I go on very briefly to mention a few other things he said.

“As I address this issue ... corruption and concomitant abuse of public office for personal benefit is threatening to dismember, and ultimately destroy, the very fabric of our nation. ...

Today, all three branches of state, whether it is Legislative, Judicial or Executive, have become engrossed in corruption in its many and various forms. ...”

He spoke of conflict of interest, insider information, the use of office to influence a decision, patronage, acceptance of benefits and so forth. He went on and he went on. One of the statements which he made was:

“We have to deal with the question of conflicts of interest very seriously. Recently there was an issue in the *Gazette* where the Government was able to waive taxes on interest amounting to about \$37 million that was borrowed by this big hotelier in Tobago. From the information that we have gathered, we would like to find out if the Ministry of Industry and Trade is the agency responsible for issuing licences to approved hotels. Our information is that no licences were ever issued by the Ministry of Industry and Trade for the construction of the Grafton Beach Hotel in Tobago.

Yet the Minister and the Ministry of Finance went ahead and issued an order at least exempting this particular hotelier from paying taxes on interest. This is another area that we feel has a conflict and we need to examine these things. What is the relationship between the Minister of Finance and that hotelier? ...

We would also like to know. Many contracts have been awarded to a number of firms belonging to Government members. That represents a

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conflict of interest as well. If there was a law in this country that dealt with conflict of interests, many Ministers would either have been jailed or they would not have been involved in what they are involved in today. ...

Let me indicate very clearly that insofar as conflict of interests are concerned, there are many instances of it in this country, and I would not detail those instances in a very comprehensive way. I can tell you that the Pegasus scandal at Piarco was one instance of conflict of interests and the award of a contract at Port Authority was another.”

He went on to say:

“Private accumulations of money are being made at the expense of public rights, and I am here to defend the public rights. I am here to expose them and let the public deal with them.”

Mr. President, these issues have not gone away, and in dealing with the question of Project Pride, in yet another speech during the debate dealing with International Transport—the Refurbishment of Piarco, he said:

“The people who were dealing with these contracts were dealing with crooks, pirates and buccaneers.”

I will not go through this because it is on public record. These can be seen by anyone who wishes, at the *Hansard* Division. He did say that he did not understand the thinking of Government, that they were in collusion with big business, that they were in collusion with agencies which want to express, repress, exploit and so forth.

I mention these, not because I think for a minute that there is anyone in this Senate who does not know these allegations have been made. It is public knowledge that these allegations have been made. It is on record, and it is also public knowledge that the campaign which led to the election of the present Government was supported by certain business firms and individuals and, indeed, the hon. Minister himself made very attractive pictorial headlines in several newspapers—in fund-raising functions at his home together with business colleagues—and it was done with a great deal of transparency. I think that many of us in this Senate, and certainly most of the media, met with the foreign public relations experts who were brought down to help.

There is no law in this country, as far as I know, which prevents a hotel, bank, insurance company or any other company from financing all or part of an election

campaign. As I said, there is even some merit in having all this out in the open. There is a law which prohibits trade unions from making contributions to political parties, but I do not think that was ever a question, as far as I know, anyway. Perhaps my brothers and sisters in law can correct me—there is no law which prevents other companies from doing so.

What concerns this budget debate is not the campaign, but the Development Project 1996. Members of this Senate, I am sure, will recall that debate in the Senate last year dealing with the Ministry of Works contract for building and providing security equipment for the new maximum security prison when some fairly specific charges were made. The provision of a prison is something which is part of the infrastructure of the country and certainly, given the interest that was evinced in the budget about dealing with crime, this is something which is very important to us.

I quote from a release made by the Ministry of Works and Transport dated March 10, 1995:

“The contract for the new Maximum Security Prison was awarded on November 28, 1991 under the previous Government on a sole selective basis at a cost of \$200.3 million. ... The Contract is also a “Fixed Price” Contract which means that barring unforeseen circumstances, the prison should have been completed within the original price of \$200.3 million.

It is important to note as well that contract was awarded ... without the benefit of competitive tenders ...”

I am saying this, Mr. President, within the context of the statement just made by the Minister of Finance that this Government is for free and fair competition and that it intends to ensure that there are safeguard measures to assure that free and fair competition are instituted. I continue to quote:

“... in addition, since it involved the contractor’s design, all of the detailed design drawings, detailed specifications and other necessary detailed contract documents were not completed at the time of the award. This type of contract arrangement has not been the norm ... in Trinidad and Tobago. ...

One aspect of the contract was the provision of security equipment, for which an initial allowance of \$6.5 million was made in the initial contract sum of \$200.3 million. ... Adjustments were therefore made early in the life of the contract within the overall price of \$200.3 million to increase the allowance for security equipment to \$16.5 million.

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In September 1994, the Contractor submitted a formal claim for more increased cost for the additional sum of \$68.3 million.... Contained within this claim was a proposal to increase the price of the security equipment from \$16.5 million to \$34.1 million, which is an increase of ... 106 per cent of the initial revised provision.”

I will not go on endlessly with this particular document. There was great controversy in the press at the time; there was great discussion in Parliament and the *Newsday* of Thursday, April 20, 1995 said:

“According to statements made by the company and the Ministry of Works, a dispute has arisen ...

The Minister has called for an independent assessment of the value of this equipment ...”

This is what I am getting at—this calling for an independent assessment of cargo assigned which was stored on the docks as well as the claim by Maritime for an extra \$70 million in cost overruns on a fixed cost contract.

12.20 p.m.

It went on to say:

“The NAR Government awarded the Maritime group the following major contracts,”

Not via competitive tenders. They were the beneficiary of sole awards. The quote continues:

“New Police Headquarters; Cedros Police Station and Marina; Marabella Police Station; Woodbrook Police Station; New Golden Grove Prison. All these contracts were awarded without the benefit of competitive tenders.”

The quote continues:

“The involvement of this particular insurance company in the construction of these projects is a matter of public record.”

In the instance of Project Pride, there were also other companies which tendered but were not successful.

An announcement was made on Friday, January 19, in the press, that Project Pride would go ahead, albeit in a different form, and that the Government did not plan to scrap this particular construction project. But it was unclear as to how

they would go ahead. I do not see anything wrong with this. The preferred developers have, in fact, not been able to come up with the finance to get this project going despite the chairman's indication that next month the finance will come—Sen. Daly can correct me if I am wrong—but the chairman has been claiming this for the last three years.

I believe, as Sen. Marshall said, that if they could probably get local financing for this project it would be better. Nevertheless, the point is that we have to get more of the transparency which the Minister spoke about in his budget speech and that has been spoken about ever since. Does the Government intend to put this project out for tender again? With respect to the other development projects, are they simply going to turn these projects over to the preferred second bidder? Since this is a really important development project and other projects such as the Library Complex and the National Art Gallery and Theatre, are they also going to be financed, other than through the Treasury?

What the country would like to know and I hope the Minister would be so good as to let us know, perhaps in his winding up, is: What are the priorities and what are the bases on which these projects are going to be handled and awarded? We want to believe that these projects are going to be awarded on the basis of merit, not of patronage or on the sole selective tendering that was such a scandal during the previous administration. We want to believe that any company's role in financially assisting any political party in its elections campaign would be done on a genuine conviction and ideological belief and not on any cynical expectation that an audit, such as was recommended in this particular case of the prisons, or an investigation, or legal action, or whatever, would be dropped as a result, or that contracts were going to be awarded or that the energy sector deals, or any other deals would go the way of any company.

Mr. President, I am therefore very happy—because these concerns of the public will not go away; because they are being mentioned more and more frequently; and because I believe it is very important that the country believes in the openness and integrity of the administration in charge of the country at this particular important time—that the Minister has just said, and I quote:

“We seek a market-oriented economy; driven by competition. We believe it is necessary to institute safeguard measures that will ascertain an appropriate level of competition. These measures will be spearheaded by a clearly defined competition policy, supported by the enforcement of the required legislation.”

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Mr. President, I trust that this will be something that will be forthcoming shortly.

The press speculations which have been occurring lately about the proposed appointments to various boards of persons who, according to the reports, have very little or no experience in the industries in which these state boards operate, particularly referring to those parts of the economy which are key, have caused considerable cynical comments in the country.

I do not have anything against anybody being appointed to any particular Government board, commission or committee, I wish them all well and hope that they are successful. I am concerned about the ability of these boards and the Government to move forward so that the country will benefit. As a result, I am very concerned with the public's perception of the award of contracts for key positions, particularly to key industries and key state enterprises.

In the Minister's budget speech he indicated that he was cognizant of these fears, and I quote:

“...there are those not being part of the ‘in crowd’ who welcome change, but only if such change will redound to their own benefit. That is quite natural as far as personal and sectoral interests are concerned. But as a Government of the entire country the vision we have must be much wider.”

That this has been recognized from in front is a welcome sign and we will be watching closely and with great hope to see if this is a man in whom we can believe and that he will, in fact, make sure that these statements are observed.

I would like to comment very briefly on the hon. Minister's expression of attention in relation to the crime situation, I think it is a sad indictment. I quote from an article on the *Newsday* dated January 17, 1996:

“Trinidad and Tobago had 100 murders in 1995 including those of Selwyn Richardson, Dr. Narinesingh by hired gunmen in the middle of the day, including murders of tourists or entire families with no killers being brought to justice.”

If we could compare this record in a country of 1.2 million people with that of the city of Toronto (which has some five million people) with a 1995 murder total of 45, I do not know what kind of ratio that is. I am sure that my economist friends can help. That, however, includes domestic murders with something like 90 per cent arrest record. That tells us something about the seriousness with which crime has been addressed or has not been addressed in this country and I

want to believe that the record is going to improve. Mr. President, I think we all want to believe this.

If anything, crime was a key issue in the 1996 general election campaign leading up to the new administration and we really hope that we would see a substantial difference. I would like to point out that the old excuses about domestic crimes not being preventable cannot be accepted. If one takes a look at other countries where domestic murders are few in number because preventative measures have been put into place, we cannot keep saying it is not possible to put those measures in place.

12.30 p.m.

Mr. President, I am a bit confused about this, so perhaps the hon. Ministers on the other side can help me, but I gather defrauding the Government is also a crime. I have been led to believe that collecting PAYE from employees and not paying PAYE into the Board of Inland Revenue is a form of white-collared corporate illegal fraud, and I think that any private company which is guilty of this will be subject to considerable censure and legal redress.

I find that it is a little bit difficult to understand why Caroni has escaped as a result. Is it not somewhat contradictory to talk about companies empowering people, if this empowering anti-crime Government would vote \$238 million to pay for the PAYE, and health surcharge at Caroni—collected from employees and not paid into the Board of Inland Revenue? It seems to me, I may be wrong, that this is condoning what should be a punishable offence by a private company. Mr. President, we want to believe that sometimes it is a little bit difficult, but how far does debt forgiveness go? If this is a debt forgiveness—I understand that debt forgiveness is something which is very much part of how we deal with things.
[Interruption]

Mr. President: Will you be very much longer, Sen. Mahabir-Wyatt? Because it is an appropriate time for the lunch break.

Sen. D. Mahabir-Wyatt: Okay Sir, I will continue after the lunch break.

12.32 p.m.: *Sitting suspended.*

2.00 p.m.: *Sitting resumed.*

Sen. D. Mahabir-Wyatt: Mr. President, when we broke for lunch, I was really asking questions about the \$238 million debt forgiveness provision for

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Caroni in relation to its back contributions to PAYE and Health Surcharge and so forth. I might point out that when I did some sums over the lunch break, this is considerably more than what would have had to be allocated to—if you add them up—the National Library Complex plus the Red House restoration, and Mr. President, the good Lord knows that the Red House needs restoring. The National Security and Legal Complex plus the Police Headquarters, plus the National Performing Arts Centre still do not add up to—over a period of years—as much as that debt forgiveness does.

My question was: How far does the debt forgiveness go; what is the policy in relation to debt forgiveness with this administration? We have to ask questions like this because they are relevant to the development projections in this year's budget. Does debt forgiveness include overcharges in the security equipment for the new prison? Does it extend to include trespasses on the wet lands in the Nariva swamp? I want Caroni to keep operating, because I think it is important, and I want it to be self-sufficient and profitable—which I understood it was on the verge of being—but I am rather confused as to how this is going to happen. Who is going to empower it to help it be self-sufficient?

In relation to the whole question of the National Library Complex and the other buildings that were mentioned in the debate in the other place, the Minister of Planning and Development mentioned in relation to the setting aside of these cultural projects, and I am quoting:

“The Government could not look at such enormous levels of funding concentrated in one area of the country.”

Mr. President, if I may be allowed, I would just like to point out that this funding is not for one area of the country. These are national buildings. It does not matter where the Police Headquarters goes, as far as I am concerned it is a national building and is going to serve the entire country, not just one area of the country. These were all culturally, socially and educationally to deal with all of us, not just one place or the other.

In his budget address, the Minister of Finance noted that the nation's social programmes are in dire straits and in fact, this morning, he did say that the existing social services are becoming extensively fragmented and there is a significant duplication in gaps and in coverage. I agree with him entirely and I would like to congratulate the Minister and thank him for bringing this concern to the country in relation to our social services, because I really believe how a

country deals with its poor and its handicapped, its underprivileged, its helpless and aged, is an indication of the civilization that the country has. Also, at the level to which people in the country allow other people to be treated and potentially how we want ourselves to be treated, because we are all potentially among the ranks of the poor; we are all potentially amongst the ranks of the handicapped and we are all certainly going to be amongst the ranks of the aged unless there is an alternative which one does not wish for, and probably, the helpless as well. I think that social programmes are extremely important to a large segment of our population, as I say, including ourselves.

One comment about the plans that were indicated is that since the majority of social service programmes in this country are run by religious organizations, cultural organizations, private charities of one sort or the other, foundations and non-governmental organizations, many of these have mutually exclusive principles, policies and practices, and this one will not provide social services unless the recipients agree with a certain way of thinking or way of doing things. I simply mention this because a single umbrella organization such as is planned, might not prove workable either in the short term or long term because of these internal battles. And I do not like to say it but, unfortunately, it is true that political in-fighting and mismanagement and fraudulent use of funds, power plays and nepotism and favouritism and those kinds of things, misuse of power, also take place within the realms of the social services programmes, unfortunately, more so on the part of the administrators of those programmes than on the part of the recipients.

I think that the Minister of Social Development has a big job ahead of him. There has never been any provision of which I know, under any government in this country, for the licensing and inspection of, for example, old-aged homes, and there is much abuse that takes place in homes for the aged. Abuse to the elderly people. The management of the funds for the home for the handicapped has been the subject of far too much controversy and comment to have to bring it up again here, and even where it comes to dealing with the care of children who have been put into institutions, there are abuses on some of these children which would make Charles Dickens blush. Yet, we do not have adequate inspection and licensing of many of these institutions and I really hope that the Minister of Social Development would be willing to deal with these aspects of social work and also provide the regulatory mechanisms.

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I was absolutely overwhelmed by the announcement made in the other place by the Minister of Social Development to the effect that he was budgeting \$3,500 to victims of domestic violence. I would really like to thank the Minister and his Government for making this statement. It is absolutely overwhelming and it is completely unexpected. There were, at least last year, 3,165 reported victims of domestic violence and if they had qualified last year, this would have meant a budget provision of \$11,076,500.

2.10 p.m.

I realize that this is very small; .01 per cent of the overall budget is not much but it is more than any other government has offered victims of domestic violence, and I am very grateful to the Minister and his colleagues just for thinking about this. It provides a ray of hope to victims of domestic violence. In fact, I want to believe in it so much that I am afraid of believing it. The cruelty of raising a hope like this in people who had no hope for many years only to dash it would be just too much to bear, so I really do hope that it is something that we would see come to pass.

Mr. President: The speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Prof. J. Spence*]

Question put and agreed to.

Sen. D. Mahabir-Wyatt: Thank you, Mr. President. The Minister of Social Development is reported in the *Guardian* of January 17, 1996 to have promised, and I quote:

“... to tackle all factors of development simultaneously, including issues relating to drug abuse, domestic violence, child abuse, juvenile crime, probation, senior citizens' care and persons with physical and mental disabilities.”

For some time over the last couple of decades I have been involved in some way in each of those areas so I have an idea of the extent of the burden he has taken on and it is enormous. There are many helpless, voiceless, and hurting people in this country who want desperately to believe that they would get help and I was very heartened by his statement. I do hope that he would get the financial backing from his colleagues and the support mechanisms that he would need.

Mr. President, I would like to complete my contribution with some specific questions and comments, first of all, in relation to dividend income allowance. I do not know if the Minister and his Cabinet are aware of the effect that the stopping of the dividend income allowance will have on charitable organizations and pensioners in the context of making people and organizations self-sufficient—I think self-sufficient is what he said in his comments this morning—and part of the democratic process. This particular provision is self-defeating and I beg the Minister to reconsider this when it comes to charitable organizations and old age pensioners.

Up to last year those who invested in local equities could have gotten a dividend allowance on the money that they earned in dividends and for many charitable organizations, NGOs particularly, this meant a substantial amount of their income. Incidentally, this investment of money in order to get the dividend income allowance was done on government's urging, in good faith.

The decision to stop all payments of dividend income allowance under the present budget will be a significant drop in income for charitable organizations as well as pensioners. For example, last year, Servol received a dividend income allowance of \$60,146. This source of income will disappear in 1996 because this is being removed unless the Government keeps that, even if it is in relation to charitable organizations only. For an organization like Servol this is really a considerable blow, particularly since in 1995 the Government had specifically asked Servol to extend its programme for young people. This budget in the Estimates of Income and Expenditure has cut the programme for young persons by \$158,000. After Servol had done what the Government asked and extended the programme, the budget for that programme has been cut.

This morning I listened to the Minister of Finance talk about:

“A medium term programme which will be guided by the need to ensure, among other things, that the disadvantaged are empowered to help themselves.”

I do not know of another organization that has done more in this country to help the disadvantaged to help themselves than Servol. I hope this was a mistake which can be corrected. It means that that particular programme for young people will have to be cut back after it has started, and that will be a tragedy.

Likewise, the effect of lowering mortgage interest allowance from \$24,000—\$20,000. While it may seem to be a small amount, for people on a

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fixed income such as the elderly who have not yet paid off their mortgages, or for young people just starting up and wanting to get a first mortgage, this can mean on top of the extra \$200 or \$300 per month that a similar cut last year by the PNM Government added on to people's mortgages, it will be very difficult for the elderly and the young to deal with this. They are the ones who will be hit.

This does not mean high-class mortgages. I am talking about mortgages in the vicinity of \$150,000—\$300,000. This is really low and middle-class income mortgages. I am not worried about people who have \$500,000—\$1 million stately homes mortgages. The lower and middle-class income people in this country are already suffering from cuts over the last three years and I do hope that the Minister will look at this with more sympathy because I think it is unfair to penalize this group further.

Mr. President, just a few questions on the Draft Estimates of Expenditure. I note that in the *Express* of January 14, 1996, Dennis Pantin talks about budgets with smoke screens seeking to warp their real cosmetic attractiveness and requiring forensic skills to reveal what the intentions are.

I do not have many friends with forensic skills so I was just wondering if I could just get a couple of explanations.

On page 74 of the *Draft Estimates Details of Recurrent Expenditure*, under the Ministry of Finance there is a sum of \$800,000 for claims for payment in respect of void cheques up from \$57,000 in 1994 to \$815,000 revised estimates in the budget of last year. I had read recently about one of our ministries—I think it was the embassy in Washington, in one of our newspapers, I believe it was the *Mirror*—having to pay a refund for a bounced cheque. Quite apart from being embarrassed that our government cheques bounced, I was wondering if that is what this provision is intended to cover. My forensic skills are inadequate.

On page 158 of the same document there is an increase of \$3,438,032 to the National Agricultural Marketing and Development Corporation. We hear very little about this corporation. Because my time is limited I do not want to go too much into this but I hope that the Minister of Agriculture, Land and Marine Resources if he does speak in this Senate, will tell us whether or not this will lead to a more proactive policy by Government in relation to creating sustainable markets locally and abroad for our produce.

I have been talking, in preparation for today, to the agricultural society and to individual farmers who seem to perceive that there is a great deal of indifference

and neglect in relation to the agricultural sector on the part of Government and I am sure that my colleague will go into this in far more detail than I could. Things like praedial larceny, support services, roads, water and so forth. Lack of agricultural support mechanisms are a realistic understanding of the cost inputs into agriculture and is something which is bothering everybody, as well as the whole question of the allocation of funds to agriculture. The market did come up this morning and I am hoping to hear some more about it.

I notice that there is an increase of over \$40 million in estimated revenue from the ADB and I was wondering if that had to do with the debt forgiveness that small farmers are not getting when they are about to lose both their homes and livelihood because of transport closures. Caroni gets \$230 million debt forgiveness, and I do hope that the Minister will comment on this.

I have to skip some of this in relation to agriculture because of time, but there was another peculiar request made.

2.20 p.m.

I would like to find out. The farmers had asked that they not be taxed on water used by farmers who are not supplied by WASA. Mr. President, I had no idea that such water could or would be taxed.

Sen. Spence: It is the same as if they got it out of the tap.

Sen. D. Mahabir-Wyatt: Well, it seems to me to be ludicrous that if you are putting in your own wells or getting water from a river, that you are going to be taxed at the same rate as if WASA supplied the water. This is absolutely ridiculous!

Sen. Spence: Of course it is—quite ridiculous!

Sen. Mark: All over the world.

Sen. Spence: No, no, not all over the world. I will talk about that.

Sen. D. Mahabir-Wyatt: Mr. President, I will leave this to my colleague to follow up because it is certainly something that I found very strange and a burden with which farmers should not have to put up. Just three other points, very briefly, again in the interest of self-employment. I wonder if the Minister of Finance can explain the allocation of \$19,728,500 of taxpayers' money for the Port Authority of Trinidad and Tobago for this year, and particularly in the light of recent publications/statements which have shown that our other port,

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PLIPDECO, has in fact been making profits. I just have the figures since 1989, but there were \$2 million that year, \$3,006,000 the next year; \$4,003,000 the year after that, and going up to \$4,129,000 in 1993, and I have now got the 1994 figure—\$7,092,000. They are not asking for money from the public purse. In relation to empowerment, is the policy to make the state enterprises self-sufficient and if so, can this tie-up be explained?

Just two last issues. One has to do with Tidco. There was a \$4.5 million revenue sum listed as unspent balance for Tidco. The question came up several times last year. Perhaps Sen. Mark will remember. Does this represent the Tidco employees' pension fund overrun? If it does, was it not supposed to be put towards increasing the pension of the Tidco employees that were retrenched? I wonder if we can get some explanation if you can pick it up, because it is something that needs to be looked into, particularly with a labour-sensitive government in these days of re-engineering and re-organization.

One last point, Mr. President, before I stop and that has to do with the announcement which the Minister of Finance made this morning when he said that the construction sector will benefit from the implementation of the Government's accelerated housing construction programme—NHA construction programme, and so forth. For many years I have been begging this Government when providing national housing—

Sen. Mark: The last government?

Sen. D. Mahabir-Wyatt: I mean every government that I have been addressing a budget speech to since 1989, or whatever it was. When public housing is being allocated to families, would the Government see it as a matter of policy to consider putting the housing in the name of the mother of the children, rather than the name of the father of the children? As very frequently happens, culturally, it is a fact of life in our country that the mother and children get thrown out of the house when the father finds that he wishes to replace his current partner with another. [*Interruption*] Yes, I am asking for positive discrimination—for affirmative discrimination, affirmative action, if you will.

Sen. Spence: At least joint.

Sen. D. Mahabir-Wyatt: Or at least joint if they cannot have it in the name of the mother, but it so often happens that the family—the mother and children—are the ones that are forced to leave, rather than the father; and in other

countries, like the Bahamas, it is put in the name of the mother to ensure that the family has some place stable. I am not trying to change the culture of the world and say that the father cannot move, but I think that the family should remain sacrosanct.

Thank you, Mr. President.

The Minister of National Security (Sen. The Hon. Brig. Joseph Theodore): Mr. President, I appreciate this opportunity to address this honourable House on the measures that the Ministry of National Security will be taking to deal with crime in Trinidad and Tobago. I should like to take this opportunity to congratulate my Cabinet colleague, the hon. Minister of Finance, on his 1996 budget presentation which put people at its centre and produced immediate and positive results.

The 1996 budget demonstrates this Government's commitment to addressing positively the problems of crime. Mr. President, it is to be noted that the Development Programme for the Ministry of National Security was increased (by 275 per cent) from \$34 million allocated in 1995 to \$66 million this year. The allocation to the police in terms of goods and services and minor equipment was brought to \$42.5 million from \$34 million in 1995, (an increase of 125 per cent).

Further, Mr. President, the Development Programme for the police has been allocated \$33 million, an increase of 330 per cent over the 1995 allocation of \$10 million. These figures make a clear statement that this Government of national unity is determined to give the Ministry of National Security the resources to bring the crime situation under control. Mr. President, our Government recognizes that the criminal element has the population living in a state of fear, brought about by a marked increase in illegal activities linked to the drug trade and other narcotic offences. Of course, Mr. President, this situation in which we find ourselves today, where the level of crime is concerned, did not come about overnight but was allowed to develop unchecked over the years.

Mr. President, this alarming increase in crime came about as a direct result of the destabilisation of the police service by the former administration to the point where the morale of the service was at an all-time low in 1995. Mr. President, mismanagement was the culprit, supported by a complete lack of understanding of the role of the Minister responsible for National Security in dealing with this important institution which was responsible for protecting and serving the public. All the protective services, and in particular, the police service, were adversely

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affected by the negative attitude of the former administration. Evidence of the unwarranted attack made on the police service in those years by the former administration is reflected in the deplorable state of a number of police stations and the extreme state of disrepair of the majority of vehicles. It is no surprise, therefore, Mr. President, that in the face of this irrational approach to the police service, the criminal element took advantage of the obvious breakdown in morale and discipline to carry out their campaign of sustained criminal activities on the public. It was simply not good administration to have allowed the crime situation to escalate, Mr. President.

Moreover, as we are painfully aware, it was our youth who were exposed and most vulnerable to the effects of crime, and particularly, the incidence of drugs. We cannot accept as a way of life a society of violence. When we consider the statistics on youth involvement in crime, we note that the trend is towards an increasing number of young people being committed to the Youth Training Centre. In 1993, 462 young persons between the ages of 16 and 18 were sent to that institution. This figure rose to 500 in 1994 and remained over the 500 mark in 1995.

2.30 p.m.

The most prevalent crimes committed by these youths were armed robbery, house-breaking and larceny, which, in many instances, have been linked to the increasing involvement of our young people in the use of drugs. Our Government intends to reverse this trend and will develop strategies to prevent and control juvenile delinquency.

The ministry will be dealing, not only with detection and apprehension of offenders, but will concentrate on the preventative aspects as well, to remove those causes and conditions that lead individuals to a life of crime. We will be adopting a proactive approach to the whole matter of crime rather than simply reacting to events. To achieve this goal, we intend to work very closely with other ministries, such as the Ministry of Education, the Ministry of Social Development, the Ministry of Sport and Youth Affairs, as well as other departments, non-governmental organizations and interest groups in the society who wish to forge closer links with us to address the issue of crime among the youth of this country.

I would like to take a moment to quote from the *Medium Term Policy Framework* as articulated by our hon. Minister of Finance. I quote from page 27:

"The fight against narcotics will continue as well as the co-ordinated efforts to develop a well-disciplined, efficient, and well-equipped police service. The expeditious handling of disciplinary matters within the Police Service and improving the relationship between the police and the public in the fight against crime will continue to be key strategies."

The Government views the police service as a key agency in its efforts to curb and suppress crime in Trinidad and Tobago. My ministry, therefore, intends to take corrective measures to strengthen the police service to respond to the critical crime situation, including the growing number of narcotic offences. We propose to establish a stronger police presence on our streets and on our highways.

We intend, not only to equip the police with equipment and buildings to tackle crime, but we also propose to take their views seriously and have a look at their complaints which have been impacting negatively on their morale and performance over the years.

The ministry will deal with the most critical elements of the service, the human resource. We saw a tendency where vehicles, police posts and different things were simply bought for the police with the mistaken belief that these material things will cure the problem and solve the crime. This Government of national unity believes in the people and we are concerned with the welfare of these members of the protective services who are there to serve, to protect and to defend our citizens. We intend to seek the welfare of the members of the protective services and concentrate on developing our human resources.

We firmly believe that public confidence and support for the police will be influential in the crime reduction process. It is an exercise that requires a contribution from all of us. The expeditious handling of disciplinary matters within the police service, as I quoted from the *Medium Term Policy Framework*, will therefore continue to be one of our key strategies. Already we have been contacted by the working group in Caribbean Criminology who will be presenting a 12-point national action plan to the Prime Minister this afternoon and we intend to look at this plan with a view to developing all the points that we can in co-operation with the various agencies in this country.

On the physical side, we have begun and will continue to expand on the following initiatives:

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- The introduction of highway patrols; joint army patrols by night; increased police patrols by day and a larger number of uniform patrols in the Port of Spain and San Fernando areas.
- Formation of crime suppression units concentrated in the north and south Trinidad.
- A concerted plan of action to curb the incidence of stolen vehicles, including the establishment of a special task force to look into and make recommendation on the registration and licensing of vehicle repair shops and vehicle dealers.

We will institute training programmes to provide a higher level of investigative capability within the police service. It is the intention of my ministry to revise the entire training programme for the police officers, including the training of recruits at the St. James Barracks. The concept is to have a properly structured training programme so that officers at all levels would be able to perform their duties in a more efficient manner.

We propose to utilize the resources of the joint services staff college in this new training initiative. Also planned is the regularization of the status of special reserve police officers so as to make more efficient use of the manpower now available in the police service and consolidate their contribution to the crime fighting effort.

It is common knowledge that a number of police stations are undergoing repairs and a number of police posts have been proposed. We intend to work in close collaboration with the Ministry of Works and Transport to refurbish a number of dilapidated police stations in Trinidad and Tobago and to construct new ones. In the 1996 budget, sums have been set aside for improvement to existing police stations and the construction of new facilities, including police posts. These police stations I have referred to are the Maraval Police Station, Four Roads Diego Martin Police Station, the Erin Police Station, the St. Madeleine Police Station, the police facility on Dundonald Street, known as the *Mirror* building, the establishment of police posts, the Barataria/El Socorro Police Station and Princes Town Police Station.

I would like to think that with the policy of this Government, to put people at the centre, this proliferation of police stations and police posts will not be absolutely necessary. I am hoping and my ministry would certainly work towards

dealing with the crime situation in such a positive manner that the building of police posts in these so-called high risk areas would prove to be unnecessary.

Public confidence and support for the police will certainly be influential in the crime reduction process. The expeditious handling of disciplinary matters, and as I said before, the improving of relations between the police and the public would continue to be a key element in our battle against crime. I would like to repeat that we intend to solicit the support of non-governmental organizations, interest groups and the community as a whole, to assist in this fight.

Coupled and in support with the police service is the Forensic Science Centre. We have had endless complaints about the collection of evidence and the ability of the police to provide evidence that would gain conviction. The Ministry of National Security considers it extremely important to strengthen the Trinidad and Tobago Forensic Science Centre in view of its critical role in supporting the police service in crime detection. During 1996, we will address the training that is required and the need for equipment which will increase the centre's ability to perform more sophisticated types of tests in keeping with its function. The areas we propose to address are: document examination, vehicle examination, toxicology, biological testing and firearm evaluation.

Perhaps more common to the members of the public is the situation with regard to the examination of stolen vehicles that have been recovered. The problem that obtains is that all these vehicles have to be kept in storage by the police service awaiting examination at the Forensic Science Centre. There have been numerous complaints from the public that this process takes far too long. I wish to assure this honourable House that arrangements are already being made to deal with this particular situation.

I should like to move on to the other end of the spectrum and that is the prison service.

2.40 p.m.

The prison service has a crucial role to play in the rehabilitation of prisoners in order to facilitate their re-entry into society and thus reduce the rate of recidivism. The statistics reveal that approximately one-third of the prison population consists of repeat offenders; that is, persons who have been convicted on three or more occasions.

The breakdown from 1993—1995 is as follows: Of a total prison population of 3,393 inmates in 1993, 1,363 were repeat offenders. In 1994, of a prison

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population of 4,021, 1,324 of these inmates were repeat offenders, and in 1995, of a population of 4,173, 1,450 were repeat offenders. This tendency to return to a life of crime by such a large group of individuals must be addressed through a programme of meaningful rehabilitation.

Mr. President, we therefore intend to have the Golden Grove Minimum Security Prison fulfil its true objective of preparing prisoners for permanent and productive return to society. The rehabilitative process includes the involvement of inmates at this institution in such activities as agriculture and livestock rearing. There would also be benefits accruing from this venture which would allow the prison to be more self-sufficient in the production of food for its members.

We would also be conducting rehabilitative works on prison buildings which have been catered for in the 1996 budget.

Mr. President, before moving on, I am to make an observation that while neglecting rehabilitation for those who were incarcerated, and ignoring the decline in moral values in our society, the former administration saw it fit instead to build a larger prison.

It is not our intention that incarceration would be the solution to the crime problem, but rather a more humane approach and to have members of our society conduct themselves in a manner which would resist the temptation to get involved in crimes so that we can have a peaceful and more stable society.

As part of my ministry, there are other services such as the fire service. With respect to the fire service, in keeping with our desire to protect our citizens, and to ensure their complete safety and security, the Government proposes to equip it to enable the fulfilment of its duty to safeguard lives and property. Funds have been allocated to deal not only with the purchase of new vehicles but also with the maintenance and repair of those vehicles that are in service right now.

Like the police service, we found that a number of the fire service vehicles are out of service and are unable to perform their duties. Using the station at the Piarco International Airport as an example, I am sure we came very close to having the airport checked and perhaps downgraded by the International Aviation Council because there is a requirement for a minimum number of fire tenders that should be available in the event of a disaster or a plane crash.

Mr. President, another agency for which my ministry is responsible is the National Emergency Management Agency. My ministry would be focusing attention on the promotion of disaster preparedness programmes in communities,

and NEMA would continue to co-operate with other agencies of the ministry to ensure that in the event of a disaster, there would be prompt and efficient response by all those persons concerned. It is also envisaged that the agency would be able to assist our Caribbean neighbours in the event that they suffer any natural disaster.

Mr. President, in support of the police service, there is the defence force. The regiment, in particular, in addition to its role of providing protection against external aggression, and its new role of peace-keeping activities—on which they embarked over one year ago as evidenced by their involvement in Haiti—would be used to support the police in their fight against crime through joint patrols and supporting them in large operations.

Also, with the youth in mind, it is the intention of this Government to widen the programme of activities for the Civilian Conservation Corps. In this first semester, 2,400 young people between the ages of 18 and 25 years would be employed in the first cycle of this programme for 1996.

Another agency that deals with drug interdiction is the coast guard. As an island-nation, we need to patrol our coastal waters and ensure that illegal activities on the seas, or our coastline, are detected and prevented, not only with the coast guard utilizing its current fleet of vessels to monitor any illegal activities, but in a new initiative. We anticipate collaboration with the Customs Division for the two agencies to be involved in drug interdiction operations off the waters of Trinidad and Tobago.

In dealing with Trinidad and Tobago and with Tobago in particular, we have had incidents of illegal fishing. Only recently two Venezuelan trawlers, and one Trinidad trawler, were arrested off our North Coast for fishing within a two-mile zone against the law—also identified as a problem with the illegal fishing activities in Tobago. There is also the claim that Tobago is being used as a means of entry for illegal substances.

Mr. President, these comments and claims have been duly noted by the ministry and arrangements are being made to have additional vessels of the coast guard deployed to Tobago where they can deal not only with drug interdiction, but also the problem of illegal fishing.

Another area with which the Ministry is concerned is the situation arising out of conviction of people in Tobago, in particular juvenile delinquents. There are limited facilities in Tobago to house prisoners on remand and because of these

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conditions most of the prisoners have to be transferred to Trinidad which creates great hardships for the family and relatives who wish to visit these prisoners.

The prisoners on remand, as well, also have to be transported back to Tobago to appear in court for their trials to continue. We feel that this is a problem that should not be allowed to continue. As part of the other end of our crime fighting programme, we are hoping that the matter of the prisoners and their detention would be sorted out so the expense of bringing them to Tobago and the security risk involved in moving these prisoners to Trinidad and back to Tobago to face trial would be removed.

Mr. President, it is evident that the aim of this exercise is to wage an all out war against crime, and we would do this in conjunction with the related Government agencies and interested members and groups in the society.

I make no apology for repeating that we want the interest groups, the NGOs and the people of this country to involve themselves in the fight against crime. We in the Ministry, by no stretch of the imagination suppose that we alone have the answers and we alone can solve the problem.

An overall effort will definitely be made to improve the security forces as evidenced by the increased funds allocated to the Ministry of National Security for 1996. Our vision is to create a country where all our citizens can live without fear and feel free to go about their legitimate business without apprehension or reservation.

Thank you.

2.50 p.m..

Sen. Rev. Barbara Gray-Burke: Mr. President, I extend my heartiest congratulations to you. This is the first time since you have been elevated to the Chair that I am addressing this honourable Senate. May God bless you and your family.

Mr. President, may I take this opportunity to congratulate the Minister of Finance for his skilful presentation of the 1996 budget. I could not believe it. Since I know about budgets, whenever it is about to be read, I wonder what foodstuff prices would be increased.

The Minister of Finance has certainly made the difference in his budget. He has put the people first with the reduction of personal income tax, particularly the

non-payment of income tax by the lower income worker and the zero-rating of basic food items.

Mr. President, the last Government installed a soup kitchen within my community. Perhaps, they did so with very good intentions but that did not change the price of cheese or smoked herring, nor did it make invalid the saying that “the road to hell is paved with good intentions”. Not all people are prepared to advertise their poverty by accepting handouts. I believe it has something to do with pride and common humanity and dignity. After all, being seen in a soup kitchen queue with a host of destitute pipers is not the best way to improve the self-esteem of an already economic-depressed person.

A more dignified and realistic way of dealing with the problems of hunger and poverty inherited by our Government is to make the price of food more affordable. Such action not only provides the essential nutrients for our physical bodies but also the psychological input that is necessary to provide hope. That vital ingredient that rejuvenates dignity and gives impetus to the individual to help himself. To put it in simple language, cheaper food as opposed to handout food is a natural deterrent against the dependency syndrome. [*Desk thumping*]

Mr. President, the 1996 fiscal policies of this Government to reduce the price of food is, in my opinion, the correct alternative to soup kitchens. In the 1995 election campaign the Government of national unity committed itself to eradicating the dependency syndrome. The soup kitchen which is the epitome of this horrible and baneful scourge of human spirit, would be made redundant once the grocers begin to keep their end of the bargain in passing on the benefits of the 1996 budget to our people. In so doing, we would be able to stand proud in Laventille and John John and say good riddance to the PNM and their soup kitchens—[*Desk thumping*]*—*and all its soul-subverting designs on the self-esteem of our people.

Mr. President, cheaper food would reach a wider section of our population, particularly our brothers and sisters in rural areas whose influence is belittled by their distance from the main centre of operation. This Government has sought to rectify this imbalance by its magnanimous approach to a budget of consensus. It is now imperative that the population develop a buying culture that is within their interest. They must be made aware of their power.

This budget is probably unprecedented in our history. I, myself, cannot remember when a government reduced the prices of so many commodities.

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Throughout our recent history the words budget and fiscal policies aroused very negative emotions within our people's psyche, and depending on one's economic standing, the dreadful can be tantamount to visiting a dentist with a toothless smile. Today, the word budget brings a sense of relief to the population. It does not matter if one voted for the Government or not; more food for less money is good news [*Desk thumping*] unless, of course, one is a disciple of Mr. Scrooge.

I wish to make it emphatically clear that I am not in any way trying to pin a sobriquet on the calypso-singing Member for San Fernando East. In fact, the Mr. Scrooge I am referring to is a fictitious 19th Century character who begrudged his working people the basic comforts of life. The fact that the hon. Member took the Government to task for presenting a budget that made cheaper food a reality should in no way equate him with Mr. Scrooge. Mr. President, the hon. Gentleman knows only too well the effect that poverty has on some persons morally. A thirsty man has a greater motive to steal water than a person with a regular water supply and the same thing applies to a hungry man and food. It is not a pleasant thing to watch your children go hungry. Unless one has ice water in one's veins, the sight of one's children starving will make the average person bitter.

In this society we recognize the fact that there are people who steal not for greed or poverty, but because of some form of mental instability. Intelligent people treat such persons with a high degree of sympathy and rightly so. It is in this vein that we are asking the other side to be sympathetic to poor people and not to begrudge them the opportunity to buy cheaper food.

3.00 p.m.

This budget has deep social implications in preventing crime. In one masterful stroke the Minister of Finance has given respite to desperate breadwinners throughout the length and breadth of our society. It is deeply ingrained within the philosophical outlook of this side of the House, that the horse should not starve while the grass is growing.

We are very much aware of the precarious situation that the PNM left the economy in 1995 and the reckless manner in which they borrowed to finance prestigious projects to win elections. These are just some of the sins of the father of the nation that is now visiting the children. One is tempted to say that in such economic circumstances being fatherless is not a bad thing after all. [*Laughter*] I will not say that because I believe strongly in the sanctity of family and marriage.

In fact, I am a marriage officer. However, what I am about to say may sound uncharitable but it is the truth. The reckless and indecent haste in which the last government attempted to dismantle programmes and projects of the NAR government proved beyond the shadow of a doubt, that the PNM Government did not care about the economically vulnerable members of our society; for example, the industrial cottages standing as white elephants all over this country.

In one disastrous stroke poverty ran riot. Families were ruptured. What God had put together, the PNM hath set asunder. Under the cover of darkness street children emerged to compete with the homeless and dispossessed. Outside of our normal education system, they began to learn the darker side of survival. They sell themselves to perverts and are recruited by house breakers and car thieves because of their size. Those who stay out of the clutches of the law long enough become role models for the younger ones. By the time they reach their teens they become full-fledged bandits who will kill without provocation or remorse. But, they are never with us for long. If HIV positive does not get them, the bullet does. This is what was created for us by the PNM.

To look at them laid out for burial is to look at the dead African potential; to hear the youthful mother cry is to be made aware that they were robbed not only of their childhood but also of the chance to acquire the experience that life provides. They leave this world without the knowledge of the beauty of the human spirit; that phenomenon which is always elusive to the eyes of bigots and arrogant people. There was no hope for the youth within the PNM.

When we examine the national cake we see by far the greater portion went to pay off debts. What little is left from the recurrent expenditure is what we have to seek development with. I want to make you a promise, Mr. President, that soon you will see corrective measures being taken to arrest this grand PNM wake of destitution.

In keeping with our promise to reduce the number of people living below the poverty line, in 1996, this Government of national unity has planned social services, non-contributory and contributory security benefits, legal aid services, family courts and an abuse rehabilitation centre. Our Government seeks to protect the disadvantaged and promote a better quality of life for all citizens through the provision of an integrated social delivery system through agencies such as: social welfare, the adoption board, rehabilitation by social assistance, national family services, probation, legal aid, an advisory authority and population council.

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Through social service programmes the Ministry of Social Development has been providing and will continue to support families, children, the young, elderly, disabled, recovering addicts and the socially displaced, many of whom have been able to regain some measure of dignity and self-esteem whilst this service will provide technical and financial service to non-governmental and voluntary organizations to assist them with the provision of social support service for the vulnerable public.

The ministry will continue to provide the traditional assistance service such as public assistance, old age pension, legal aid and probation service to keep with this Government's mandate. The ministry will seek to develop programmes which will aim at improving the welfare of the poor, the homeless, sick and handicapped, youthful offenders and victims of crime. Poverty will be high on the Government's agenda to be eradicated. It is also proposed to establish a number of poverty assessment teams comprised of representatives of the public and private sectors, community based organizations and non-governmental organizations to formulate poverty alleviation programmes and monitor their implementation and recommendation coming out of the world summit for social development which was held in Denmark in 1995. A national co-ordinating body will be formed to ensure that recommendations are carried out.

Trinidad and Tobago will also join with the international community this year in the observance of the international year for the eradication of poverty as designated by the United Nations. As part of this Government's plans to improve the welfare of the poor, a review of the service provided by the National Insurance Board will be conducted. The review will determine the best formula for revising contributions and benefit rates as a means of bringing them more in line with the cost of living.

3.10 p.m.

The committee has been formed under the chairmanship of the Minister of Finance to look into the contributory payments and provide a social security system with a more dignified framework from what it is today.

Mr. President, these programmes, which provide assistance in the form of micro enterprises and training and development grants, will continue to provide to recipients of public assistance and other needy persons to facilitate their involvement in micro business projects and programmes of training which will

enhance their employability. This programme will be reviewed in 1996 to improve its effectiveness and coverage.

I thank you.

Sen. Orville London: Mr. President, I have always had a grudging admiration for any individual who accepts the position of Minister of Finance, especially in a developing country. In fact, I empathize with the view of one cynic who indicated that he would only function as a Minister of Finance if the country had limitless resources and he was the only citizen.

All of us are aware that every Minister of Finance in the history of this country has been forced to make difficult choices when determining the policies which would inform his decisions, and despite what the present Prime Minister might say, there is no perfect budget. Various measures would impact differently on different sectors in the country, and it is always instructive to analyse how even-handedly the Minister shares the available resources among the various interests. It is also equally instructive to ascertain, especially when one is dealing with a coalition government of at least five partners, how even-handed is his treatment of those nearest and, hopefully, dearest to him. Then, when the decisions are made and the policy is determined, how he delivers the information to the public in his budget speech.

Mr. President, I will not be as undiplomatic as Sen. Wade Mark, who, in his contribution during the 1992 budget debate, described the NAR's Finance Minister's effort, as a dance between the pillars of deceit and despair. However, it is my contention that when faced with the problem of presenting unpalatable information to the public, the method of delivery of Finance Ministers will fall at some point on the continuum, which starts at the highest degree of candour and ends at the lowest level of "conmanship". It is important to note that it is not often difficult to evaluate where the emphasis has been placed. Candour will often spark immediate protest, which will simmer down as the population comes to terms with the fact that despite the seeming harshness of the policies, they were unavoidable and, most importantly, the people were part of the process. "Conmanship", on the other hand, will lead initially to the various expressions ranging from relief to euphoria and then, as the days go by, those emotions will be replaced by discomfort, disillusionment, despair and even anger, as the people begin to feel the effects of the previously hidden sting in the tail.

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This is the judgment call that Finance Ministers have to make and perhaps by the end of this debate we also will be able to make our own judgment call as to which point on the continuum we should place the budget speech under review.

Let us return to the issue of even-handed treatment of one's partners. The Finance Minister was very aware that he would not have been at that podium on budget day were it not for the contributions of two political parties and at least two friends. Senators will understand why one of my priorities, when I perused the budget papers, was to attempt to see how grateful was the Finance Minister to his partner.

I will not go into the treatment of the friends. I think Sen. Mahabir-Wyatt has already put the Finance Minister on notice that we are observing that very carefully. However, when I looked at the budget figures, some information jumped out at me—the distribution of 2,000 acres of land from Caroni Limited; 7,000 acres of additional lands to private farmers; injection of \$42 million in capital equipment to Caroni Limited; further funding of over \$200 million to Caroni Limited and so forth. I concluded that if I were the leader or a member of the larger of the two political parties, I would be convinced that the Finance Minister had delivered as instructed.

Then I said: What about the other party? What about Tobago? This had to be a honeymoon budget for us in the sister isle. We have been told *ad nauseam* that we are in the clutches of an insensitive, uncaring and, as one representative even said, wicked government. So, it was no surprise when after the election stalemate, our representatives flew into the hands of the silver headed knight, fresh from slaying his latest lion, and were whisked away for the consummation of the union, undoubtedly, as the groom boasted, on a UNC bed and in the house of the rising sun.

I am certain, Mr. President, that you will excuse us in Tobago if, after that high jump, we were confident that there would have been a significant difference in the treatment which we were receiving in the past compared to what we would be receiving during this year. Some of us even boasted that if any partner could demand special favours, it would be the Tobago representatives. They were the people who created the new Government, therefore they had to be the power brokers. So I examined the budget for Tobago's share of the cake.

At first glance, I was heartened by the increase in the overall allocation by close to \$25 million, but, as a Tobagonian, I was disappointed, in fact

embarrassed when I examined the Tobago allocation in detail. All of the increase was under recurrent expenditure which had moved from \$208.9 million last year to \$234.9 million for 1996. Most of this increase was inescapable as it was due mainly to the increase in personnel expenditure by \$14.1 million as a result of the cost of living allowance to public servants, and another \$7 million to daily paid workers following the award by the Chief Personnel Officer of COLA increases and the stipulation that workers of more than 10 years service must be guaranteed at least 10 days work per fortnight.

I was shocked to note that under Tobago's development programme, the allocation was \$42 million—I want to do this slowly—\$1,811,000 less than what was actually received in 1995 under what they called a hateful PNM regime. The sum requested by the Assembly was \$163.6 million and of that only a little over 25 per cent was actually allocated. Remember! Allocation is not receipt of funds, and in a scenario where there might be a shortfall in Government's revenue projections, Tobago's situation could even be grim.

Let us examine some of these allocations in greater detail to see whether this Government has put its money where its promises are. Listen to the Minister of Finance in the budget statement:

“The tourism sector is also being targeted for urgent attention with a view to maximising its potential, particularly its capacity to generate significantly increased employment opportunities within a short period of time.”

Compare that with the statement made by Councillor Benedict Armstrong, Deputy Chairman of the Tobago House of Assembly, when faced with a decline in the funding from \$960,000, actually received in 1995, to \$400,000 promised in 1996:

“The cuts in Development Expenditure meant that a number of projects which the Assembly considered important to the vital tourism industry, cannot now be undertaken.”

So the King George Theme Park and the redevelopment of the Store Bay beach facilities have to be put on hold. All of us know what Store Bay means to Tobagonians and to Tobago tourism.

3.20 p.m.

I also sympathize with the Secretary with responsibility for health in the Tobago House of Assembly, Mr. Hochoy Charles, who was enthused after

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discussions with the new Minister of Health, and boasted when he returned to Tobago, that the meeting signalled the dawn of a new era for relations between the Tobago House of Assembly and the ministry, only to return to the island to discover that the development allocation and the public health, over which he has control, had been slashed from \$2.01 million to \$1 million, a move which would adversely affect work on the Studley Park Waste Disposal Facility, and by extension, garbage collection around the island. Of course it is very interesting to note that Mr. Charles has staked his political career on solving the garbage disposal and by extension, health in Tobago.

However, I was much less sympathetic to the Minister of Public Utilities who, in response to complaints by hoteliers in Tobago against the water shortage which is jeopardizing the viability of their properties stated very confidently, or as we in Tobago would say, "mannish mannish", that he had a plan to resolve the problem expeditiously. Mr. President, is this Minister a magician? If not, can he explain to Tobagonians how he intends to alleviate the water shortage situation when the allocation to the Water and Sewerage sub-sector in Tobago decreased from \$15.74 million in 1995 to \$10.25 million in 1996?

Mr. President, I quote from the Minister of Finance's budget statement under "Agriculture":

"The agricultural sector will be required to play an increasing role over the medium term given the sector's employment creating capacity.

... Special emphasis will be placed also on increasing foreign exchange earnings; providing the social stability and rural development; and revitalizing agriculture in Tobago."

But were these noble sentiments supported by at least the promise of money?

Mr. President, listen to the evaluation from the Division of Planning in Tobago, an evaluation to which all Tobago parliamentarians are privy. It says:

"In Tobago, the productive sector comprises mainly of the agricultural, forestry and fishing sub-sectors. The meagre allocation of \$550,000 for this sector in 1996 is unfortunate, since the sector is crucial to the continued socio-economic development of the island. In fact, it is envisaged that there will be major setbacks in effecting most activities in the productive sector during 1996."

Mr. President: Sen. London, if you are quoting, could you please indicate from what source you are quoting?

Sen. London: I quoted from a document prepared by the Planning Division of the Tobago House of Assembly.

Bear in mind, Mr. President, that the Tobago House of Assembly had recognized the importance of the sub-sector and had requested \$1,223,900 and is now faced with cancellation of plans to construct a new agro-processing plant at Hope, and inadequate funding for extension works to the dilapidated Roxborough Market. Incidentally, both these areas are in Tobago East.

The development of Tobago's economic infrastructure will also be adversely affected because of inadequate funding. In 1996, the allocation is \$19 million, more than \$5 million less than the revised estimates of the 1995 fiscal year, and just over 26 per cent of the projected Tobago House of Assembly figure of \$71,033,000. Can you imagine how this will impact on the development of tourism and agriculture, the mainstays of the Tobago economy? I could draw numerous examples of under-funding in myriad critical areas, but I will share with you the conclusions of the technocrats of the Planning Division of the Tobago House of Assembly in a document evaluating the impact of the 1996 budget on Tobago. I quote:

“Given the overall priorities of the Tobago House of Assembly for achieving its short to medium-term objectives for the island's socio-economic development, an analysis of the 1996 Development Programme Expenditure Estimates for Tobago shows that the total amount allocated is inadequate to meet these needs.”

I cannot help accepting this analysis, and I must conclude that not only was Tobago given the worst treatment by the major coalition partners, but it will be worse under the UNC/NAR coalition Government than it would have been under the PNM government.

I now look at the credit unions and the Unit Trust. Mr. President, comments have been forthcoming from all segments of the national community and the adverse effects of the UNC/NAR coalition Government's decision to eliminate tax benefits for unit trust holdings this year and credit union next. According to one commentator, these measures will hurt the people sector. But I am contending that it will hurt Tobago even more and I am distressed that any Tobago

representative could be a party to decisions which would have a deleterious effect on the bulk of the Tobago population. Let me illustrate.

The Unit Trust Corporation has indicated that 1995 was its most successful year in its 13-year history, with an increase in sales from \$467 million to \$1.01 billion or 116 per cent. But whereas the Unit Trust prospered in Trinidad, it literally exploded in Tobago. The Tobago sales rose from \$1.41 million in 1993 to \$6,085,000 in 1994 and \$20,185,000 in 1995, or an overall increase of 231 per cent between 1993 and 1995. What is equally significant, is that more than 50 per cent of the sales were in the First Unit Trust Scheme—where one would get the tax credit—and the average sale was \$2,400 in 1994 and \$2,500 in 1995. I think those statistics speak for themselves. To cap it all, 30 per cent of the First Unit Scheme sales were made in December.

The significance of this—Mr. President, in other words, when one would have thought that people were spending moneys on the consumer items during the Christmas season, Tobagonians had saved over \$6 million in one month through the Unit Trust Corporation, and the Government is destroying that. Might I add, that according to my statistics, 27 per cent of the workers in Tobago are now unit holders and 12 per cent of them entered the Scheme in 1995. Can one imagine what the potential for savings was in 1996 and the confusion and frustration which must be besetting present and potential unit holders in Tobago at this time?

The level of confusion and frustration is even more pronounced among the credit union members. There are 11 Tobago based credit unions with a combined share capital of close to \$26 million and this is what is critical—a total membership of 15,480—remember this figure does not include the six Trinidad-based credit unions operating in Tobago. But what does the Minister of Finance tell them after, I expect, consultation with his NAR colleagues? I quote from the budget statement:

“I wish to point out that the existing tax credit of 25 per cent, on net increases in purchases of credit union shares, up to a limit of \$625, will be removed in 1997.”

3.30 p.m.

Mr. President, the Minister of Finance indicated that the measures were intended to level the playing field, and then the hon. Prime Minister described the Finance Minister's budgetary measure as a warning to credit unions to put their house in order. Mr. President, let us examine that statement.

The removal of the tax credit in 1997 was not dependent on the "orderliness in the credit union's houses"—it was a definitive "will be removed in 1997". It was a statement that sent very strong signals to the members—"Credit unions in trouble. The Government has abandoned them—GET OUT!" As the *Trinidad Guardian* editorial of January 12 put it:

"...the mere fact that Government has threatened to remove the tax credit could lead to a run on the movement and the demise of the weaker ones, as tax avoiders seek better returns on their money.

Such an eventuality could have negative social and economic consequences given the \$2.2 billion the movement controls."

Under the circumstances, I would like to suggest to the Tobago/NAR members on the other side that they have a responsibility to check with the Prime Minister. Find out what methods he used to have the Minister of Finance reverse his decision to remove import duties on certain items, and use that same method to have him reverse his decision on the Unit Trust Corporation and remove this threat on the credit union movement. [*Desk thumping*]

You can also remind the Minister of Finance that although he might be complimented in some quarters for "a technician's budget", he was not necessarily speaking to a country of technicians. He must treat with the psyche of the country, of the Tobagonians whose tradition is steeped in lend-hand, sou sou and credit unions. The Credit Union movement and the Unit Trust Corporation are institutions with which Tobagonians can empathize. The Minister of Finance must know that the Tobagonian can be wooed but he cannot be coerced away from them into other areas of savings.

In fact, I contend that one of the reasons the Unit Trust is so successful in Tobago is that it was marketed as an extension of the credit unions, with ownership residing with the unit holders. I remember attending an orientation session some years ago which was organized by Independent Senator, Eastlyn McKenzie, and I recall one of the speakers stating that the Unit Trust was a natural extension of the process from mattress to sou sou and then credit union. I am certain that Tobagonians would have some very harsh things to say about those, from among them, who encouraged the breaking of that chain.

In light of those negatives, what are the NARites in Tobago crowing about? For the answer I refer you to the front page of the *Tobago News* of last Friday, January 19, the banner headline reads—New Hospital in '97. But when one reads

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the front page story, one observes two paragraphs with one valid piece of information; it says:

"But design work on the new medical institution to be sited at Signal Hill will be done this year through an allocation of one million dollars in the House of Assembly's 1996 budget."

The other nine paragraphs in that article are taken up with complaints by the Deputy Chairman of the Tobago House of Assembly about the problems which the Assembly is envisaging with the budget. But the headline says "New Hospital in '97". I have no problem with that. But do you not think that it is strange, maybe pathetic, that after actually creating a new Government, the major boast of the NAR faction in discussion of a 1996 budget, is the promise of a facility in 1997? I have a little problem with that. Even in the boast, there is a level of "conmanship". The impression is being given to Tobagonians that:

- (i) the construction of the Tobago Regional Hospital was a UNC/NAR initiative;
- (ii) that there was an allocation for design work in the original budget estimates.

Let me just quote again from the *Tobago Planning Division's* document on the analysis of the 1996 budget. These people, as we said, are not PNMites, they are professional public servants with no political axe to grind and no reason to mislead the Tobago public. Under Pre Investment, the report reads:

"Considering that a fundamental condition prior to the taking of informed investment decision is an undertaking of Pre-Investment Studies, the sum of \$1,000,000...allocated for Pre-Investment Studies in 1996 is largely inadequate to satisfy the needs of the Tobago economy. In fact, this stipulated amount was to be used primarily to conduct studies for the Richmond Water Supply Project. Clearly, there has been a complete neglect of the need to effect Pre-Investment Studies in the areas of land use rationalization, rural access roads and health and the environment..."

My question is: Where did this \$1 million just suddenly come from? Is it the money originally earmarked for the Richmond Water Supply Project? Or, is a further \$1 million sourced in a bid to assuage the obvious embarrassment of the parliamentary representatives when they recognized the level of contempt with which the Minister of Finance has treated the legitimate requests of Tobagonians? Remember that this is in the context of a situation where the report also stated

that the estimates were very silent on the L'Anse Fourmi/Charlotteville Road. That link road which had been the major plan of two successful and successive election campaigns in Tobago. Now, with the NAR seemingly in a position of power, the initial budget estimates do not even include the \$1 million requested by the Assembly for its design. It is not the Government's own to claim. Under previous PNM Governments, land was allocated and discussions initiated with lending agencies, and those in the know, including the NAR parliamentarians on the other side, must accept that the hospital issue would have been no less advanced under a PNM regime. What the PNM would not have done, it would not have attempted to focus the attention of the Tobago public on a high profile project so that they could be distracted from the neglect of general development in the island.

The Planning Division reported that the areas of sports and community development were fairly well addressed, and I must commend the Minister of Sport who, although her body might be on the wrong side, has her heart in the right place. However, Let me share some concerns and make some suggestions to her. She must make good a pledge made by the former Prime Minister, Patrick Manning, that he would address the vexed problem of the high cost of transportation for teams and individuals carded to train or compete in Trinidad and the possibility of locating a facility in Trinidad where Tobago sportsmen and women, youth and cultural groups and so forth, can be accommodated. Special votes should also be allocated to the division of education, sports and culture specifically for travel to Trinidad. The Minister of Sport and Youth Affairs must also make a decision on two projects, one, the construction of a pavilion at Shaw Park, and two, the Shaw Park Cultural Project—both projects are underfunded and might have to be shelved.

3.40 p.m.

On the national level, I would like her to impress upon the Minister of Finance that the battle against crime should not be fought exclusively in the Ministry of National Security and there is need for increases in the allocation to the Ministry of Sport and Youth Affairs if effective and innovative programmes are to be introduced. I am extremely concerned that a government which had campaigned so vigorously on crime reduction will not be prepared to make links between investment in youth and sports and the fight against crime. So we have the development budget under the ministry reduced from \$11.305 million in 1995 to \$5.91 million in 1996. The Minister of Sport and Youth Affairs alluded to this

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relationship when, in her contribution to the budget debate in the other place, she said:

“Sports and physical activity are positive alternatives to anti-social behaviour.”

She then went on to outline a comprehensive plan which included the shifting of some programmes from other ministries to the Ministry of Sport and Youth Affairs. I will be very intrigued to observe how the Minister intends to take her enlarged ministry into the brave, new world which she has envisaged with a significantly reduced budget. In the light of the frustration, which we in Tobago know that the hon. Minister must be feeling, it would be advisable for her to clarify a release from her campaign manager as it appeared in last Friday's issue of the *Tobago News* back page. I quote:

“Nicholson's brother-in-law and campaign manager during the November 6 election which saw her reelected to Parliament, said that the Minister will be in her constituency office on Mondays, Wednesdays and Thursdays between the hours of 9.00 a.m and 3.00 p.m. On Tuesdays, he said, Ms. Nicholson will visit areas of her constituency.”

If Friday is Parliament day, that looks like the schedule of an ordinary Member of Parliament, not a full-fledged minister. Now, I am not suggesting that the hon. Minister has given up her job, but there is some confusion among Tobagonians and I think we need some clarification.

I would also like the Minister of Sport and Youth Affairs, to indicate to her Cabinet colleague in the Ministry of Culture, that not one cent has been allocated under development in the Division of Culture in Tobago. As the Assembly technocrats put it, in that characteristic understated manner of the good public servant, it would appear that culture was completely overlooked. This is unfortunate in the context of events tourism and the need to fund institutions in support thereof. When one also recognizes that the Assembly's request for a Tobago Cultural Centre also seems to be overlooked, one suspects that the Minister and any other parliamentarian with a genuine interest in Tobago will need to be very successful in their efforts to persuade the Minister of Finance to think again, if citizens of this country, resident in Tobago, are not going to be convinced that they were victims of a massive "mamaguy".

The Minister of Finance and his Government colleagues have made very heavy weather of the proposal to extend the list of basic food items zero-rated for

VAT purposes and to remove the import duties on those items on the list which attracted it. I will not comment here on the choice of items, nor on the disturbing signals sent about the competence of the Finance Minister when he was instructed to backtrack on the proposal to remove import duty. I will leave that for another person at another time.

However, I am concerned that no Member on the other side has questioned whether the positive impact of those measures would bring equal relief to the Tobagonians when compared to his Trinidad counterpart. I wish to draw your attention to the *Trinidad Guardian* of January 17, 1996 although it is not related specifically to the budget measures in the case of real problems facing Tobagonians. The article states:

“Some Tobago businessmen say that in spite of media reports about reduction in the price of chicken, with a glut caused by a switch to overseas purchases by major fast food chains the price of the commodity in Tobago has gone up.”

One businessman, Jeffrey Azar says, “They are treating us like second-class citizens. All we are getting are increases, despite the paper saying that there have been two decreases in the past weeks.”

I am not concerned here with who is to blame for the impasse, but it is clear that in the face of a Finance Minister who is prone to change his policies willy-nilly, and the realization that Tobagonians do not always obtain optimum benefits from even the best intentioned measures, I am recommending that the four Tobago-based Senators in this Senate form the core of a Tobago price watch committee with the mandate to assess the immediate impact of the budget measures in Tobago and when compared with the Trinidad situation and to monitor the sustainability of price increases. I am suggesting that we are going to be sending a very positive signal to the Tobagonians about equality. We will have two men, two women, equality—two NAR, one PNM.

I was intrigued by the irony of the situation in which the Finance Minister was able to win rave reviews for mentioning measures taken from the tourism master plan commissioned by the previous Government which had consistently demonstrated his commitment to the development of tourism in Tobago. The development of a “One-Stop Shop” for hotel and tourism investment approval is not a new thing and maybe the Finance Minister could consult with his NAR colleagues to ascertain why attempts made in 1987 and 1988 did not materialize. Even the amendment to the Hotel Development Act, to include approved tourism

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projects must be drafted very carefully to deter impostors. What I found quite interesting was the accolades bestowed on the Finance Minister for what is a very carefully worded and cautious statement. In fact, almost a non-statement. This is what he said in his budget statement:

“Government proposes to undertake an air service review, addressing the issue of space availability on flights to Tobago, and considering the option of an open skies agreement for Tobago, if not the entire nation.”

Note, “consider the option.” No indication, as many of us were led to believe, that the Government is firmly committed to the concept of open skies. I think, therefore, that before we even debate this issue there is need for a much clearer policy statement from the other side.

This illustrates my problem with the statement on tourism, in fact, the whole budget. One cannot help concluding that some proposals were selected for effect and some statements were made simply to elicit applause on the day. Take the statement which was supposed to signal the Government’s thrust in tourism development, and I quote from the budget statement:

“The programme will enlist the input and support of the private sector and would rely as little as possible on new public expenditure; it will depend as much as possible on self support from the development of the resources themselves.”

Mr. President, did that statement take into account the fact that hoteliers and entrepreneurs usually market their properties and not the destination? Did they consider the comparable status re the annual budgets of a representative group of Caribbean hotels and tourism associations which indicate—and there is a range in the budget from Aruba US\$1,672,065, Bahamas US\$435,000, St. Kitts \$222,000 down to Trinidad and Tobago at \$25,000 that is the annual budget?

In other words, how is he hoping to motivate the local association to invest more money in the marketing of the destination? And if he does succeed, how does Government influence the type of tourism which is promoted? If Government cannot influence the type of tourism, is Tobago doomed to become another Barbados or another St. Thomas?

I was particularly interested in the Finance Minister’s assertion that Government intends to amend the Hotel Development Act to include approved tourism projects in order that such projects may enjoy the same benefits as

approved hotels. I await details of the definition of an approved tourism project and the procedures for approval which he said will be published shortly.

3.50 p.m.

However, I would like the Minister of Finance to define the term “shortly” and I would expect that approved tourism projects will benefit the bed and breakfast proprietors to continue to play a critical role in the Tobago tourism industry. For example, a travel agent has confirmed that of the 180 tourists who arrive in Tobago weekly on Air Caledonia, close to 80 per cent are accommodated in bed and breakfast establishments. There is a need to encourage this category of entrepreneurs in Tobago and, of course, throughout the country.

I think all hoteliers and all citizens interested in tourism development will welcome the introduction of legislation to amend the Marriage Act on condition that the reservations of certain religious groups are considered. Score one for the Minister of Finance. And do not get me wrong! I am not one of those who come here and just knock all aspects of the budget. I think when one examines the proposals one would find some good, some bad, some mad. But I contend that credit must be given where credit is due and the Minister of Finance deserves some credit here.

Mr. President, I commend the Government’s decision to continue the PNM’s policy geared toward increasing school places in Tobago. However, I have some serious reservations about the adequacy of the funds for the extension of the Signal Hill Senior Comprehensive School with which I will always have a close affinity. My information is that the project will cost in excess of \$10 million but the budget estimate is just about \$3 million, and with the projected completion date of December 1996 there could be some problems if additional funding is not available.

I stress the need for an aggressive training programme which must be introduced immediately in Tobago—and I stress “immediately”. For example, when completed the facility at the Signal Hill Senior Comprehensive School will allow for a total intake of 1440 students up from the present 900. But what is most critical is that the teaching establishment will have to be increased by at least 40 teachers, mostly in the technical vocational and craft areas.

I know that discussions were initiated with Mr. Justin Paul whom I suspect may still be Permanent Secretary in the Ministry of Education, I am not sure—

Hon. Senator: He was sent on leave.

Sen. O. London: But he will return. We had discussed a training programme which would have been funded by the central government and initiated in a manner that would ensure Tobagonians return to Tobago because one of the problems that exists is that if somebody is trained in Trinidad, Jamaica or wherever, and that person likes the place, then he or she does not return to Tobago. So, we have devised a strategy to ensure that we at least attempt to alleviate this problem. Mr. Paul is not there, but I will be willing to discuss these proposals with the new Minister of Education if he can take some time off from warring with his officers to grant me an interview.

While I am in the area of education, Mr. President, allow me to make some general comments on the performance of the new Minister of Education and his ministry. I do not believe that there is any one in this country who is not concerned about the very real danger of the derailment of this country's education system under the present administration. I am serious about that. The acrimony which must have been generated by the Minister's cavalier treatment of his two Permanent Secretaries is impacting negatively on all sectors of the education system and, as somebody who left the system just a few months ago, I know.

What is even more alarming is the absence of a clear policy statement from the Minister of Education on the issue of the treatment of the Permanent Secretaries. He reneges on his promise to make a full statement and he has the Minister of Public Administration talking for him.

In the present impasse about the libraries, if anybody was supposed to make a statement on that issue it would have been the Minister of Education because that is critical. No statement from the Minister; we get more silence. We have to ask ourselves: Does this individual who is responsible for the education system in something as critical as library, does he subscribe to the simplistic view that ten small libraries are equal to one big library? He must talk. He must tell us something.

Sen. Mark: Mr. President, on a point of clarification. Library and library services fall under the Office of the Prime Minister and not the Ministry of Education.

Mr. President: The speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. V. Gilbert*]

Question put and agreed to.

Sen. O. London: Thanks, hon. Senators, and thank you, Mr. President.

This is just an example of the confusion existing in the minds of the people on the other side. Any individual would recognize one cannot divorce libraries from education. Whether libraries are under the Office of the Prime Minister, it is a relevant part of education, so that the point I am making is valid. The Minister of Education has a right to make a statement on it. I do not care where it is.

Hon. Senator: You do not understand. Manning put it there.

Sen. O. London: Mr. President, I only have 15 minutes more.

As one who had been involved in the teaching profession for over 30 years, I must confess that I was consoled after numerous frustrations by the pragmatic approach expounded in the Draft White Paper on Education extending from 1994 to the year 2000.

Among the major recommendations in the document was the decentralization of the system with the creation of eight educational divisions, each headed by a School Supervisor III with adequate support staff. What does the present Minister do? Again, without enunciating any clear policy, he barges in and suspends the process by which School Supervisors I were to be selected. Is it out of spite? Is it something more sinister? I am prepared to give him the benefit of the doubt that he has some good reason but he must tell us. He has to tell us something, and that is the point I am stressing.

In the budget the Government expresses another of its beautiful high-sounding sentiments. A comprehensive programme to look at education from pre-school right on to university. But this is a prime objective of any education plan and it is dealt with quite professionally in the Draft White Paper which was prepared by some of this country's leading educators after reports from all the partners and then it was subjected to intense scrutiny in two separate consultations. Is the Minister of Education going to attempt to reinvent the wheel? Is he going to accept that his ministry has been placed on the right track and all he needs to do is to take the wheel and drive? Consistent fiddling without any overall plan is just confusing the partners and delaying us further in our efforts to handle this country's most critical problem.

Policies have already been formulated on the future of the 11-plus and 14-plus exams, early childhood education, the system of awards of national scholarships, technical vocational education, advanced skills training programme. We should have trained between 800 and 1000 teachers by the year 2000.

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The previous government had shown its commitment towards funding the necessary support services and it is worthy of note that over the past five years the number of primary school children moved from 54,000 receiving meals three times per week to 76,000 receiving meals five times per week. The School Transportation Programme had also been beefed up. In other words, Mr. President, the previous government had recognized the enormity of the problems in education, and let us face it, the problems are enormous and no simplistic solution can deal with them. But the Government had been making efforts to resolve these problems professionally, efforts guided by the advice of professionals. If all we continue to get from this present Minister is silence and reports of insensitivity, arrogance and ineptitude, I am suggesting that all the gains of the past years will be irrevocably lost. As I conclude, Mr. President, you will excuse me if I address my remarks, primarily, to the NAR members on the other side.

As you interface with your colleagues in this very strange union, remember that Tobagonians do not expect anything from the UNC side of this coalition. Bear in mind that the last time a UNC candidate faced the polls in Tobago he received 17 votes, and he had a large extended family. [*Laughter*] Tobagonians are observing your treatment in the House of the Rising Sun, and after the first products of the union, there is already talk of impotence and barrenness.

As an Opposition Senator, I must confess to grim satisfaction that my predictions that you will be finessed have come true so quickly, but as a Tobagonian, I am urging you to use every means at your disposal—threaten, coerce, discuss, even cuss—just don't beg. Tobagonians do not beg. But ensure that this very malleable and genial Finance Minister makes some changes to this budget. It is an insult to Tobagonians, and makes a mockery of your party's decision to enter into an alliance with a group whose leader has always contended that he is prepared 'to sleep with the devil', to achieve his objectives.

I thank you.

Sen. Dr. Eric St. Cyr: Mr. President, let me begin by congratulating the hon. Minister of Finance on what is a very pragmatic and sensible budget in many respects. [*Desk thumping*] Budget preparation is no easy task, moreso, in this fiercely competitive society, very complex in its divisions, cleavages, and so forth. In all these one has to keep one's eyes on some bigger objectives, and it is to those that I would like to address my principal remarks.

I think we had some excellent presentations from very skilled persons coming from the discipline of accounting. The numbers have been really adequately analyzed and treated. We would do well to recall that budgeting is an art. You can take US \$17.50 per barrel of oil and it comes right on target, if it does not, there is nothing you could have done about that. You can anticipate \$300 million in surplus and it is all predicated on the assumptions you make coming right.

I am satisfied that the budgeting process of this country is very technically sound and firmly based. I speak, having assisted myself from a professional point of view for many years, and I know that international agencies monitor the forecast of the out-turn with a fine-tooth comb by way of establishing the *bona fides* of the procedures. I think this was confirmed by my colleague, Sen. Marshall's computation on the revenue forecast, which would be where the professional approach would put it, so I do not want to spend any time at all talking numbers. I want to address two major areas. The first, some moral issues raised by the budget.

Let me begin with the issue of gambling. I have spoken before, basically, saying that gambling undermines the moral fabric of a society and can have tremendous long-term deleterious effects. I note that in 1993, revenue from the National Lotteries system was \$70 million. In 1994, \$187 million, an increase of 167 per cent, and I think that is how it is properly done. The estimate for 1996 is about \$347 million, a further substantial increase; and I just want to say that I am appalled that a nation as wealthy as this could rely so heavily on gambling as a substantial source of revenue. I think the nation should be warned that we should pull back from proceeding in that direction.

Mr. President, a second moral issue bothers me tremendously. We seem to have had some humorous reaction from the mention of honeymoon tourism. In an emergency, one can have the President's licence to get married with no time lapse whatsoever. At the present time, you need seven days' notice and there is a proposal to reduce this to three days, amending the relevant statute.

Marriage is a most important institution. In fact, a great deal of our problems in this nation stem from family-type problems, in many respects coming from a cavalier approach to this most important institution. I think that we would be going in the wrong direction to treat marriage in a cavalier way, so that people do not approach it with the sanctity with which it should be approached. There is another side of the coin of quicker marriage licences, and that is, quicker divorces. They have to go together. I do not think that in order to augment our

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income from tourism we should change our laws fundamentally and thereby impact negatively on the wider society. I say no more. I hope a word of warning is good enough.

A third moral issue, Mr. President, bothers me quite a lot. Are we tackling the Sabbath? It is not a good thing to desecrate a sabbath.

4.10 p.m.

I am referring here to the proposal to amend the Shop (Hours of Opening and Employment) Act to permit the sale of alcohol on every day of the week, including Sunday. We want to be clear what we are doing here, you see. In this society, substance abuse is becoming increasingly problematic. The speakers before me have linked crime with substance abuse and the illegal trade in narcotics. What I think we would be doing is sending a signal that there are no more moral restraints in this direction. It is not that alcohol is not sold on a Sunday, and it is not that varying is necessarily going to bring a great deal of profit to those engaged in shopkeeping; I believe it will be sending a signal to the society that anything goes. We are removing some moral restraint so that people no longer think that there are "dos" and there are "don'ts" with dire long-term consequences. I really hope that we would look seriously at that matter again. Some of these things we see the consequences of in 50, probably 100 years. So let us bring, if we may, some wisdom to the long-term prospects of our country.

I think we could be at a little greater ease now. I am going to talk about some economic matters, bread, and I am not going to say that man does not live by bread alone. There has been a change in government and I do not agree with the statement that there will be no change in policy. I would think that what should probably have been said is that there will be continuity in policy. But change, there must. Because things have not been going so right. We know that. So we cannot leave it as it was; we have to effect some changes.

To put that statement in context, I want us, very briefly, to think historically that we went in the '50s for a certain programme of rapid industrialization, and that was good, and we pursued that to the bitter end, destroying in the process a great many of our institutions, our industries and a great many own-account workers along the way. The petroleum boom of the '70s really taught us this big lesson, that total dependence on the export sector, bringing in vast amounts of foreign exchange which could then trigger consumer-related industries and bring revenues to the government and they can employ as many people—that that is not

a viable policy. All that happens is that the foreign exchange that comes in goes out as rapidly again as—I think a certain Prime Minister of Jamaica had a remark which I do not quite recall and would certainly not say here. But there is a problem with that policy, with that approach.

I was very interested to hear the Minister of Finance saying that the unemployment problem in the country does not stem from an over-supply of labour—that is correct—but rather with a deficiency of demand. But I think it is rather more complex than that. I am not going to just say what the problem is; I am going to try to adduce a certain policy solution, being a national professional non-partisan. The adjustments that we started making through the 1986 administration which were continued by the 1991 administration, those are correct. We were setting in order the international economy. Our exchange rate had got really out of line and the industrial structure had got quite out of hand. I think we should continue those policies.

I think the export sector; the corporate sector of the country, is getting into shape and those policies, I agree, we must continue. But those policies will not solve the critical social problem in the country, the problem of unemployment. I was looking at some numbers with Sen. Marshall. The output per person employed in the oil sector would pretty nearly be the same in the energy-based industries, but is about 10 times what it is in the non-oil sector. In other words, the number of jobs per million dollars invested in the oil and related sectors bring a very few. By contrast in the non-oil sector, it is relatively high—job-creation per million dollars of investment. So the role of the export sector is to bring in foreign exchange that must be efficient, super-technology, the best, and organized in a certain way. You want to hit the international market and maximize the gains to this country, per million dollars of investment and for the resources you put there, both natural, human and all the resources.

In other words, when we are facing the wider world as a nation, we are all going aggressively at it. When we do that, however, the number of beneficiaries, both the employees, those who get income in the form of profits and dividends, are relatively few. The Government gets revenue and then it has the task of fanning that out to benefit the wider society and it does this by way of creating jobs and so forth. But since what it is doing is spreading income, it does not have to be productively efficient, because the objective is not to produce a good or a service which pays back the resources used, but it is to provide jobs.

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So I think that the whole approach of Government setting itself up as the primary provider of jobs and people going to the Government for jobs, both because it politicises the whole issue and brings opportunities for corruption, does not make economic sense. The key test is that when you put in your inputs you must get outputs exceeding that. Life is about profit.

4.20 p.m.

When I use energy I want to be able to say that I have got satisfactory returns in excess of what I think I have put out. I do not know of many people who are going in the other direction.

In general, the strategy of having government central to the employment generating process is not valid; it has not worked; it would not work.

Mr. President, the society has gone from bad to worse. If I were to quote some figures from 1946 the census as it relates to unemployment showed just about 6 per cent, and at a low in 1980, it was just about 10 per cent. We are in a relative low now, but it is nearly 17—18 per cent. If we go to the highs, we would see 22 per cent. In other words, we are going up in this area. The consequence for the society is disastrous. We need to look in a new direction.

I personally, do not think that earlier administrations quite understood that it could not be done in that way. I am talking now of the three previous groups of administrations. So, it is not a political point; I would think it is more probably a technical one.

We had an experience during the war when we had many American servicemen and much foreign exchange coming in—we may think of it as military tourism; they brought Yankee dollars in—but, because of the war, the shortage of shipping and the prevalence of U-boats in this area, it was not possible to get all the imports that the nation had been getting. Because of that, the nation was forced to produce much of what it needed from within. This is when a massive artisan class grew up making a wide range of secondary goods and providing services of various kinds.

This is how employment is generated. Employment is generated by people producing goods which other people need and want, and who are prepared to pay the price with a profit mark-up. If it is not so, then there is no incentive to progress.

The war time experience then, I think, must teach us the lesson that the export sector has a role of bringing in foreign exchange to the domestic residentiary sector—that is, the wide range of activities and people producing goods and services for local consumption—with a spillover for exports. My son actually told me that in London, a few years ago he went to a concert and he heard someone shouting, "Roti, roti, roti" and everybody ran to get a roti, but it was not very well made roti. The point about it is that there is an export spillover from an industry that is developed. The point is that the people in London cannot make roti so you had, as it were, a captive good that was being placed on the international market.

I was a little unhappy to see that our steelpans are now being manufactured in Chicago. We should be developing that indigenous industry. We can develop the tuners; make the instruments, and develop the skills. In fact, we can bring people in and teach them this skill—train them here and send them on concerts. Here one has an example of a residentiary industry. It is rooted in the culture, the boys and girls on the block know the thing. They grew up with it so we do not have to learn it from overseas or bring in anybody. We invented it and we put the dynamic in it. So, everybody is involved. There is not the alienation of trying to do this, that or the other to try to get a job in the foreign technology sector.

Mr. President, I simply want to urge that what I see in the new administration is the possibility of tapping into that residentiary sector. I see it in the new administration because it has to be specially distributed. Tobago would have the areas of its own indigenous generation; Caroni and Toco would also have their own. In other words, there is no urban focus of everything.

In that way, individuals are developing self-employment; small family-based business or trading. They are providing the service out of the profits they generate and are working productively, because when one works for oneself, one has to be efficient as the brunt of the pressure is physically on oneself and one's family. There is a built-in incentive.

I think it is in this context that I want to make a very brief comment on the credit union movement. That is the high end of the residentiary financial sector. My recommendation would be that we should clean it up, tighten it and regulate it, but not do anything that is likely to kill it.

Thank you, Mr. President.

Mr. President: The sitting of the Senate is now suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Dr. E. St. Cyr: Mr. President, the best example of the residential sector is, of course, agriculture. I am not going to discuss agricultural policies, only to say that agriculture is very easily practised by all once you grew up doing it; the production of food—fruits and vegetables. With those, we could impact positively on the health of the nation—also developing good work habits using the land-based natural resources of the country and generating incomes from work done.

There are opportunities in the tourism industry and Sen. London referred to the bed and breakfast concept. In other words, the types of economic activity that we are conceiving as possible, widens the scope for economic participation by involving the population, who do not feel that they necessarily have to believe that there is need for them to have a university degree. We could, by fostering and promoting these types of industries, make for full participation by the population at large. The concept is not new. In fact, West Indian societies in every island and on the continental territories as well, came through this phase during the 19th Century, albeit, more in touch with the land than in the rural communities; but producing large amounts of their food, building their own homes, producing various artifacts that they used and generating service-type industries; our good old friendly societies, as among the social support systems and so forth. I am not advocating the return to lower levels of sophisticated living. I am saying that we have the roots which we can develop and get the thing working.

My final point is the issue of continuity of policy with change.

I want, in particular, to briefly refer to the library facility. There are a number of projects that are national, that we will have one of and that will represent the high point for the nation as a whole. Even though we will change some things we must be careful not to throw out the baby with the bath water.

You do not turn a large ship around very suddenly. One must know how one wants to turn it and where one wants to go. Wisdom would quite often suggest that you do it in a way so as not to run the ship aground. Although I am fully aware, and I want to conceive this point and put it on the records, that with the perspective I could see the distribution of resources nationally—and state resources will shift from an urban focus which it has had over the years to a wider rural focus—there are certain urban facilities that we must not think we could do at a certain level.

In terms of the tremendous importance of libraries, archives, and the level of technology in the modern society—which causes us to live there; remember, we have to walk on two legs—we have to keep the international competitive industries going. Therefore, we must be as sophisticated as the best, while at the same time, our efforts are distributed throughout the land.

I want to personally urge that the Government not scrap the library facility. I really urge that they do not go in that direction. The main policy-issue I am raising for consideration of the Government is that in order to bring the unemployment rate down long term in a way that is sustainable at not much financial outlay from the Government and involving the population as a whole, is that we shift emphasis from the focus in the last 30 years or so from large heavy industries indistinguishable from what one would see in the biggest industrial centres of the world and put emphasis in all areas of our policy into the wider community.

Mr. President, with those remarks, I thank you.

5.10 p.m.

Sen. Andrew Gabriel: Mr. President, along with the Members who have preceded me, I too would like to congratulate you on your ascension to the Chair of this honourable Chamber. I feel very honoured to make my maiden contribution in a budget debate dealing with the Appropriation Bill. I would like to congratulate the hon. Minister of Finance on his excellent presentation. I rise in support of the Bill which obviously puts people at the centre of the development and growth of the country.

This budget aims at mobilizing the resources of all our people, rural and urban, and of all communities to encourage savings and investments, to maintain exchange rate stability, to contain the rapid increase of prices and to develop a climate conducive to investor confidence in our economy. The monetary and fiscal measures have already been favourably commented on by local and foreign investor, consumers and the ordinary people of this country. This budget is not only about raising and spending revenues for the fiscal year 1996, but also building a foundation for our future and how we capture the imagination of our youth, and so, animate their civic conscientiousness. Our youth is our future and this budget addresses their hopes and needs.

I assure this honourable House that I feel burdened by duty to seek a vision for my country, a vision of our youth as the foundation on which we must build

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our prosperity in togetherness, harmony and with national unity. Too many opinions express a view that our youth is lost and they have no future. This is not true. Many of our young people are disciplined, law-abiding, respectful and diligent at school. Our national sportsmen and students who win scholarships and international awards are only the few models of the many we never meet or see on television. Our youths have a future and this nation under the Government of national unity will make every effort to give them all the help they need. It has often been said all over the world especially in developing countries that there are problems of social breakdown and youth in crises. However, it is not true that there is a uniform pattern of which this country is but an example. We must also be reminded that in our democracy the people expect their government not to tell them that the rest of the world also has problems, but to take the lead in fashioning the solutions and remedies to our problems.

However, we must live in the real world. In our country we have a prison population which was there before November 6, 1995. The youths in our jails were born before December, 1986 and 95 per cent of criminal activity in our country is caused by youths who are between the 15—25 year age group. The oldest were born around 1970 and the youngest around 1980 during the period of unbroken and unchallenged hegemony of the PNM. The high risk group for males involved in criminal activity is between the 13—25 year age group, mere children, some of them. At least 5 per cent of our students are at risk through regular use of cocaine. Excluding students who abuse alcohol, marijuana, tobacco and other drugs, the figures suggest that as many as 15,000 school children may be at risk from cocaine alone. What are the numbers when we look at all the substances abused?

Last year youths between the ages of 15—25 years had been charged for violent crimes which included murder, attempted murder, wounding, shooting with intent, rape, robbery and sexual offence. A total of 667 violent crimes have been committed by our youths, some mere school children, and 53 per cent of the persons in our prisons are young people less than 25 years old. These are the statistics of a monumental disaster which cannot be complete without reference to the massive problem of illiteracy. This remained covered up and unattended while we were told that the youths were 97 per cent literate. The University of the West Indies has revealed in a recent study that 12.6 per cent of the population older than 15 years are completely illiterate; 8.7 per cent, it is said are peripherally illiterate; 32.7 per cent are intermediate illiterates, and a total of 54 per cent of our population older than 15 years are thus in some state of illiteracy. We cannot

build an enlightened society without removing such destructive handicaps on our youth.

I now comment on some of our Government's expenditure proposals. These will be grounded in honesty and a sincere effort to help the youth, not to fool them or *mamaguy* them with empty words and bogus statistics. Perhaps the 3 per cent of the illiterates admitted to by the previous Prime Minister did the statistical analysis which informed the then government that the billions we spent on education produced 97 per cent literacy in this country. The massive unemployment which affects our youths is partly explained by illiteracy; 35.9 per cent of the boys who have left school in the age group 15—19 years are unemployed and 56.6 per cent of the girls who have left school in the age group 15—19 years are unemployed. There are thousands of young people who cannot be helped by the Small Business Development Company and YESS (Youth Employment Support Service) because they cannot be taught. They first have to be made literate and numerate in order to be given a skill, a vocation or a trade.

Silently and unseen, the devastating consequences of illiteracy turn up as single parent households of both sexes and innocent children unprepared for the burdens of parenthood. We all suffer the evil consequences of this massive cover-up. The street children of Trinidad and Tobago are socialized in a manner which leaves them bereft of the mores, values, and moral and civic minded culture which our country expects of normal law abiding citizens.

This Government recognizes that no magnitude of resources allocated to sports or youth programmes can show a benefit while we remain ignorant of the corrosive role of the absence of proper values. The problem of self-esteem, much talked about by the previous government, is something to be paternalistically offered. It can never be solved while abandoning the effort to instil civilizing values such as respect for other people's lives, person and property, the desire to make sacrifices to acquire knowledge and skills or the wilful deferment of present gratification by saving for tomorrow.

I hope I have explained that the issues affecting our youth are multifaceted. They require a multidimensional approach. This Government knows it is everyone's problem as there is no creed, no race, no ethnic community, immune or unaffected by the perversion and anti-social pathologies which express themselves in the behaviour of some young people. Every ministry of the

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Government must work closely and in harmony. This has been promised by our Government to work together in the spirit of national unity to help in this great crusade on behalf of our youth.

This Government is developing a national policy on sport and youth development aimed at the vulnerable age group 15—25 years. The thrust of this Government's policy is to increase the level of participation, the quality of training and social education for this stratum of our population. Our national policy for sport and youth development as well as physical recreation will establish a decentralized co-ordinating agency. This will be responsible for the formulation and implementation of policies on youth, sport, development, physical recreation and leisure. This Government is committed to the establishment and support of youth organizations. It will introduce programmes to address the prevention and containment of social pathologies which create problems for our youth. We aim to create a cadre of young leaders who will assist in the delivery of services. They will be the leadership to assist in the delivery of services and the establishment of management and information systems for our youth.

We speak the English language which owes more than 50 per cent of its vocabulary to Latin and Greek. The Greeks invented the Olympic games and their schools called gymnasiums, exposed children to sports and music as the major aspects of the curriculum. I said that the Government is developing a national policy on sport development, physical recreation and leisure. Leisure is a key word in our discourse. The constructive use of leisure time that otherwise would have been used for some in a non-constructive or anti-social manner. When I mentioned the Greeks and the Olympic games I was focusing on their example of integrating sport as leisure, sport and leisure, and leisure as leisure, all in the curriculum and activities which socialized the youth.

Every modern society has used these ancient traditions which we find evidence of in Africa, China, India and the indigenous civilizations of pre—Columbian America. We must not do less. We cannot afford to do less. To do less is to abandon hope, to give up on our youth, and to throw away our opportunity to use sport, leisure and music as prophylactic, remedial, therapeutic and didactic instruments.

5.20 p.m.

Mr. President, these tools—sports, leisure, language (plays and the theatre)—must be used to reduce the risk factors which entice our youth into antisocial

behaviour. We have seen how our local music is integrated into aerobics clubs and exercise routines. We must be innovative in the ways we use sport and leisure to present alternative lifestyle choices to the high risk group of our youth aged 12—25 years.

All the activities involved will canalize the emotions and energies of the youth into developing self-discipline, introspection and co-operative behaviour, so essential for a healthy community and a nation growing in love and national unity.

Mr. President, this Government has inherited a monumental and dangerous crisis which has gestated for decades. It has been hidden and covered up with platitudes and honeyed language, even alarming claims that we are 97 per cent literate. It has been said that we need to protect the self-esteem of some of the victims of this national disaster. However, confession is good for the soul, and we cannot solve a problem which we do not admit exists.

Mr. President, I am confident that the national community, working together, will overcome all the challenges I have outlined. We have a core, perhaps a large majority of youth devoted to law, order and good government. We need to co-operate with them. We cannot disappoint them.

This Government has the will, vision, honesty and sincerity to collaborate with all men and women of goodwill to fight against the disabilities that previous irresponsibility has allowed to fester and to break out in paroxysms of violence, and subcultures of failure and despair. With national unity, we will overcome these times.

Thank you.

Sen. Carol Cuffy-Dowlal: Mr. President, as I rise in support of the Appropriation Bill, 1996 of the Government of Trinidad and Tobago, I must sincerely congratulate the hon. Minister of Finance for a job well done. His was a phenomenal task, given the very limited time within which he was required to present a budget to this beloved nation of ours.

I would like to take this opportunity to treat with housing and settlements issues. The hon. Minister of Finance, in his budget presentation to this honourable House, reiterated some of the critical concerns expressed by our Government and the fact that poverty in Trinidad and Tobago continues to be a problem and must be addressed with urgency. The low-income persons in our society comprise at least 21 per cent of the population. In some quarters it is believed that the poverty

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rate is as high as 30 per cent and perhaps at least 100,000 citizens may have little hope for the future. They live in despair because they are either unemployed or under-employed and without hope.

This Government is very much aware of the large number of citizens of our country who continue to suffer from a lack of basic shelter. This high incidence of dispossession results in the proliferation of squatting which has since become endemic. This is borne out by recent studies commissioned by Government under a technical co-operation agreement with the Inter-American Development Bank, dealing with a review of our shelter and land development policy. The study clearly indicates that there is an increasing demand and over-supply in the housing market, especially in the low and middle-income categories. It revealed that approximately 115,081 new housing units will be required during the 10-year period 1995—2005. In the category low income, TT \$0—\$3,632, the number of houses required is 48,169; in the middle-income category, TT \$3,633—\$8,843, 45,841 houses are required; in the high-income bracket, \$8,844 and over, 21,071 houses are required.

The homeless also face the growing crisis of affordability of new houses. The irony of the situation is that during the boom years the prices of land and building material rose, while real household income fell, thus making it impossible for low-income persons to own land and build houses or acquire houses through private developers.

During this present period, even though the price of house and land has fallen, employment has fallen. The low income section of our population find themselves again unable to acquire land and/or a house. As you are aware, Mr. President, private developers do not usually cater to the needs of low-income households.

At this juncture, it is important that attention be drawn to the sou-sou land concept and its implication on the housing of low income individuals. My Friend on the other side, Sen. London, did allude to the sou-sou land, lend hand and gayap systems and our familiarity with these systems.

The Sou-Sou Land Movement, as initiated both in Trinidad and Tobago, was able to foster in the minds of the planning and regulatory agencies the need to consider more appropriate planning, regulatory and developmental standards. To this end, for example, WASA is able to consider more affordable yet functional methods of sewerage collection and disposal. The Town and Country Planning

Division now more readily considers homesteading and agriculture, small agricultural/residential holdings and mixed usage, that is, residential/commercial usage of land.

The sites and services concept as developed internationally was initiated through the Sou-Sou Land Movement and this, together with the innovativeness of the concept, led the United Nations, in a report, to Resolution 9/12 of 1986 of the Commission on Human Settlements, to commend the project as one of the 10 most innovative approaches in the world of addressing low-income housing. Resolution 51 of that report states:

“The primary factor recommending the Sou-Sou Land Programme is that it is a major attempt at land distribution undertaken by private initiative. The second factor is that it carries with it the important dimension of experimentation. Thirdly, the Programme will have the effect of revitalizing and expanding the rural villages and small townships. In so doing it can reverse the trend of rural migration to urban areas in the congested East-West Corridor of the country. The fourth factor in the Programme is the method of mobilization. People are being mobilized by local communities at the grass-root level. The fifth aspect is of long-term significance, namely the strengthening of local government and the impact which the Programme is likely to have on decentralization of administrative functions to villages and townships.”

These are the words of the United Nations Commission on Human Settlements and can well be adopted as being descriptive of the Ministry of Housing and Settlements of today. This Government has to operate with decreasing amounts of financial resources significantly reducing its budgetary allocations to public sector housing programmes and even to subsidize low-income housing as may be advocated.

There is also the inability of low-income earners to readily access financing from the established financial institutions on commercial terms and conditions for construction purposes.

5.30 p.m.

If low income persons save and build incrementally out of their meagre savings, they face the problem of having:

1. a regulatory system which is not geared to the identification of land for low income houses;

2. a land market which does not supply affordable land for low income residential development;
3. developmental standards which minimum accepted levels exclude affordable, functional and useable serviced land and/or shelter to low income groups.

It is no wonder that PADCO's 1993 housing survey revealed that 9 per cent of households in the entire sample surveyed, were living in dwelling units constructed without authorization from the regulatory agencies. Thirteen per cent of the population of Trinidad and Tobago, or approximately 169,000 persons were squatting and had unauthorized subdivisions on private lands.

Mr. President, what this means, in effect, is at least 22 per cent of home owners are living in houses constructed without authorization from the relevant regulatory agencies. The programme of Housing and Settlements which this Government inherited and entitled the National Settlements Programme is comprised of the following:

1. Sites and services - the provision of fully serviced lots;
2. Squatter Regularization - infrastructure upgrading and the grant of title;
3. Housing construction - this involves the construction of high density apartments and detachments.
4. Community facilities - provision of community facilities in existing and new housing estates;
5. Housing finance - provision of loans for construction, repairs and renovation.

The Ministry of Housing and Settlements is assisted in implementing this settlements programme by the Project Execution Unit, the National Housing Authority and the Sugar Industry Labour Welfare Committee. These programmes, while conceptually acceptable were, in their implementation, not geared to really facilitate many low income households, and particularly those in the lowest income sector 0—20 per cent of household by income, which is the

group most prone to squatting. What then, Mr. President, is Government's philosophy on housing and settlements?

Recognizing the above problems, this Government of National Unity had no alternative but to implement the philosophy of access to affordable shelter for all and might I emphasize, access to affordable shelter for all. This is the mission of the Ministry of Housing and Settlements. In this regard, our policy will be to:

1. Take steps to develop, distribute and make lands available at affordable prices for persons to build their houses.
2. Pass appropriate legislation to give to squatters, on lands belonging to the state and those of state enterprises, security of tenure.
3. Initiate action to provide loans at special rates of interest to low income earners for construction of their houses.

While the above issues deal specifically with housing, there are other critical issues which affect housing, settlement and land development and which are also addressed by the appropriate ministries. These include:

1. developing a physical plan for Trinidad and Tobago;
2. developing a code of appropriate standards;
3. evaluation of the professional outputs which would be devoted to ensuring adherence to both the requirements of the national plan and the code of standards and where appropriate penalties would be applied to ensure compliance.

Reference should also be made to the United Nations Commission on Human Settlements (HABITAT), which launched the Global Strategy for Shelter in the year 2000, in December 1988, and to indicate that our Government's policy is congruent with HABITAT's strategy for achieving shelter in the year 2000. In this respect our Government's role would be a facilitative one in order to activate the full potential of all elements of the society involved in shelter production.

In this context, Government intends to provide the climate to enable our citizens to meet their housing requirements according to their own priorities and capabilities. The Ministry of Housing and Settlements proposes to harmonize its effort with the other relevant ministries in order to repair and enhance the capability of the existing road network, together with the other necessary

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infrastructural facilities to open up the country, so those who had drifted from the rural areas to cities would be encouraged to return home.

The aim is to create growth poles, connected by adequate and efficient transportation nodes. Sites initially earmarked for such development are Wallerfield and Carlsen Field where a significant amount of infrastructure is already in place and has remained idle for years, covered by dense overgrowth. This Senate would appreciate that work in this respect has already begun.

This proposal is actually in keeping with the findings of the consultants PADCO/Laughlin and Associates which revealed that the future growth of new households will not be in the present urban areas or in the East/West corridor, but in the rest of Trinidad. Only 22 per cent of the new household will be located in the East/West corridor. Actually, growth in the urban areas is projected to decline from 44 per cent in 1980 to 39 per cent in the year 2000, while 53 per cent of all new households will be located in the rest of Trinidad.

Mr. President, what are the elements of the strategy to achieve objectives? Given the Government's commitment to provide shelter for all, the Ministry of Housing and Settlements will put measures in place to achieve the following:

- (a) The regularization of squatters and the provision of security of their tenure. The approach to the regularization of squatters is being adopted with a focus on settlements, rather than on individuals with incremental development being the key. This would entail that the traditional methods of residential agricultural development will be encouraged and with which development, the citizens of this nation can readily identify.
- (b) The development of a land bank, that is, the identification of all unused lands in the country currently zoned for residential use, and the effective and efficient acquisition of land throughout Trinidad and Tobago for the implementation of housing programmes.
- (c) The adoption of a cost efficient, balanced, land use planning and infrastructural standards. This would necessitate a revision of the current land use planning strategy to facilitate new housing development; keeping in mind that the needs of the population to meet its agricultural and food requirements must also be addressed.
- (d) The revision of standards pertaining to the housing sector.

- (e) The establishment of an appropriate institutional and organizational structure to facilitate, *inter alia*, the effective and efficient management of housing and settlements programmes, inclusive of the fast tracking of the necessary approvals and the pursuing of a process of incremental development, in keeping with cultural norms pertaining to community participation, land use and shelter construction.
- (f) A revision of the current procurement strategies and distribution mechanisms for serviced lots.
- (g) A review of building design and construction techniques to ensure that optimum use is made of indigenous resources.
- (h) The revision of legislation governing the housing sector.
- (i) The establishment and operation of well organized and motivated community based organizations with the objective, *inter alia*, of having new developments integrated within the existing communities.
- (j) The improvement of the current provision of the Approved Mortgage Company programmes.

In essence, the Government would act as a catalyst and provide the environment conducive to the development of housing and settlements. Our Government of national unity, rather than being directly responsible for the production of houses, will encourage individual and family initiatives; that is, the formidable innovation and will which provided the driving force for building squatter settlements, and which had encouraged previous generations to build habitable dwellings, will not be harnessed in the provision of planned settlement programmes.

This does not mean that the Government would neglect or dishonour existing contractual obligations in the housing sector. There are projects in the pipeline—some good, some bad and some mad. We are honouring the good ones and salvaging the redeeming aspects of the others in order to fulfil our pledge to the people of Trinidad and Tobago.

5.40 p.m.

Mr. President, in order to expand and strengthen the housing sector, Government has committed itself to fast track the National Housing Authority's

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30 million construction programme; upgrade the basic infrastructure of squatter settlements and continue the ministry's \$214 million accelerated programme of housing construction which comprise three major components, namely:

- i) High density apartment or flats in townhouses
- ii) Turnkey projects and
- iii) Joint venture projects with the private sector.

Mr. President, the \$30 million housing programme comprises the construction of units at seven (7) sites namely:

Bon Air	-	63 units
River Estate	-	58 units
Charlieville	-	16 units
Medine Street	-	20 units
Strikers Village	-	58 units
Bien Venue	-	30 units
La Horquette	-	32 units

Mr. President, by July of this year 90 units at River Estate and La Horquette are expected to be completed and ready for distribution. These projects are not UNC/NAR controlled constituencies.

Our Government of national unity has not abandoned nor are we attempting to alienate our people but to foster national unity and access to affordable shelter for all with a cost efficient, cost effective approach to the provision of shelter.

Mr. President, with respect to the Turnkey projects which have been undertaken at three sites namely; Tunapuna, Champs Fleurs and Aranguez yielding a total of 497 units, the status is as follows:

- i) The contract has been signed for the design and construction of 96 units at Tunapuna and work is expected to be completed by the first quarter of 1997.
- ii) With respect to the turnkey arrangements at Champs Fleurs, a contract is yet to be finalized with the developers.

- iii) The Aranguez Project is well on the way and is intended to be a model for public/private sector middle income housing development.

Mr. President, with respect to the Joint Venture Programmes, the status is as follows:

Private contractors have been selected for undertaking work on the eight (8) sites earmarked for construction. Contractual obligations are expected to be entered into by the National Housing Authority and the respective developers by January 31, 1996, and according to the work programme, construction is scheduled to begin in February with the delivery of 503 houses on a phased basis for sale on the open market.

Mr. President, under this Government, the Ministry of Housing and Settlements High Density Apartments (Flats and Townhouses) projects will become cost conscious and cost efficient, bearing in mind the need to ensure that the scarce financial resources of the nation are shared to the benefit of all sectors of our population.

The Project Execution Unit (PEU) of the Ministry of Housing and Settlements is at present involved in the Programme under a Technical Co-operation Agreement with the Inter-American Development Bank with counterpart funds from the Government of Trinidad and Tobago. This programme is comprehensive in scope in that it includes:

- the development of serviced lots with infrastructure totalling approximately 4,300 lots which are expected to be delivered to beneficiaries within the next twelve (12) months.
- loans for the construction of starter houses.
- the regularisation of tenure of squatters and the simultaneous improvement of the physical infrastructure of squatter settlements.

Infrastructure works on the 22 sites under the programme as well as construction of the five (5) community centres are expected to be completed in 1996.

The remainder of the programme will be devoted to the construction of houses. Discussions are also taking place with the Inter-American Development Bank with a view to implementing innovative approaches to increase the rate of

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shelter delivery within the ambit of bank policy. The final disbursement date under the loan arrangement is December 20, 1996. This date may be revised by agreement with the bank to facilitate the full drawdown of the proceeds of the loan.

Finally, the PADCO/Laughlin and Associates Joint Venture has recommended that the Project Execution Unit of the Ministry of Housing and Settlements should play a significant role in the future, as Government seeks to mobilize the resources of the nation to satisfy the demand for affordable cost efficient housing for low and middle income segments of the society.

Mr. President, when one considers the deficiency in the collection rate from mortgages, a fact that is demonstrated in the recurrent expenditure for the National Housing Authority (NHA) and the Sugar Industry Labour Welfare Committee, there seems to be a critical need to review the efficiency of our administration in the delivery of shelter to the population and this would certainly be given the necessary consideration by the Ministry of Housing and Settlements.

Mr. President, in planning the future course for Trinidad and Tobago and especially in the area of housing and settlements and land management, there are many challenges ahead.

This administration, together with the will of our citizens, propose to meet these challenges head on, so that we can optimize the use of our resources and promote growth and development in this sector and indeed the economy doing this with a human face.

Our work must be grounded in the knowledge that our people have pioneered and shown will, resolve and vision in converting abandoned lands into habitable settlements. We have to admire their courage and vision in order to exploit this spirit of self-reliance manifested in these unplanned developments.

Our task is to channel this culture into conscious behaviour which preserves the environment and leaves a legacy of improved property for posterity. Our housing policy must attend to the needs of all our people while uniting our communities in a network of national unity with the mission of the Housing Ministry's philosophy of access to affordable shelter for all being the driving force behind our efforts.

Mr. President, I thank you.

Sen. Mahadeo Jagmohan: Mr. President, I am indeed happy to be a member of this Parliament at this important era in our history. Permit me, Sir, to express my best wishes to your good self, your family and your loved ones for a prosperous 1996, filled with happiness and peace with continued prosperity at all times. [*Desk thumping*]

With respect to the 1996 budget, I am not at all happy with many aspects of the said budget which is sugar-coated in many ways. Indeed, I am extremely happy with the admittance of so many speakers on the Government Benches that they are continuing the policies of the People's National Movement in totality.

Before I go further, Sir, in the other place when the hon. Leader of the Opposition presented his response to the budget, in my opinion it was well received and has made a tremendous impact on the entire country, but I heard some uncharitable remarks just before the tea-break. I will not refer to them too strenuously. I merely wish to say that Trinidad and Tobago is fortunate to have a Leader of the Opposition who is a past Minister, a past Leader of the Opposition and a past Prime Minister of the calibre of the hon. Patrick Manning. [*Desk thumping*]

5.50 p.m.

He is one of the finest sons produced by Trinidad and Tobago, a true patriot dedicated to the cause of Trinidad and Tobago in all its senses. I am not totally in disagreement with some aspects of the budget. We agree with some of the measures, but I do have a problem with some of the fiscal measures proposed by the hon. Minister of Finance, although the budget was accepted in the other place.

With respect to social development in Trinidad and Tobago, it is difficult to come to terms with the measures in the budget with respect to the sale of alcohol at many business places on public holidays, notwithstanding that the condition is already there for alcohol to be sold on Sundays. We are already faced with a large number of business places that sell alcoholic beverages on Sundays. To have legal approval to sell alcoholic beverages on Divali day each year and on the occasion of Eid-ul-Fitr annually, is to show definite, callous disregard for a large section of the population of Trinidad and Tobago. [*Desk thumping*] You are quite aware how rigidly the Muslim community observes its fasting during the month of Ramadan. This great occasion culminates with praying, feasting and giving of gifts and charities on the occasion of Eid-ul-Fitr annually. The liquor shops are

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located in areas where mosques are also located. To have them licensed to open for business on religious holidays is definitely unacceptable to most of the people of Trinidad and Tobago. Mr. President, I am humbly proposing to the Government, particularly the hon. Minister of Finance, to have this measure withdrawn without reservation. [*Desk thumping*]

Mr. President, you, as well as all Members of the Government Benches are fully aware that months before Divali each year, the Hindu community abstains from consuming certain kinds of food as well as alcoholic drinks, because of the religious significance of Divali. The Government should certainly re-consider the sale of alcoholic beverages on public holidays, because places that sell alcoholic drinks and Mandirs are in relatively close proximity to each other, hence, enormous problems could arise. It would seem to me, that it is somebody's intention to influence the Government to put measures to entice and lure adherents of the Hindu and Islamic faiths to weaken their position, thinking and practice of their great religions which have enriched this country over the past 150 years. Will the hon. Minister of Finance reconsider this entire question of the sale of alcoholic drinks and beverages on public holidays?

On the question of all former servants of the state who have retired and are in receipt of old age pensions and other persons who are in receipt of social assistance from the state, we have heard nothing in the budget to suggest that the economic hardships of these persons who have served faithfully, giving long and meritorious service to Trinidad and Tobago during their working lives. They are morally entitled to an increase in their pensions and social security benefits. Not so long ago, several of the members in the present Government, were loud, demanding and vociferous in their calls for retirees and old age pensioners and recipients of social assistance to be given an increase in their benefits. But right now, no mention is being made about this group of loyal and dedicated citizens of our nation. Why the callous disregard for these people? I do not have the answer. Is it a signal to the nation of how the Government plans to deal with our people who have served the country faithfully?

We have nothing in the budget on the delicate and sensitive matter of vagrancy. The last Government of the People's National Movement made concerted efforts to deal with the matter, but I do agree that much more had to be done to deal with the people who are homeless and hungry for a great deal of the time. We may call them vagrants with a particular voice intonation when we do so, but they need our love and protection. Why was the matter not addressed? It is

not too late to have a declaration of policy in the matter of vagrancy in our beautiful country.

Shelter is one of the basic needs of mankind the world over, and it is instructive to note that the only Government of this country which has contributed to the provision of homes to the homeless and lands to the landless is the People's National Movement Government. No other administration attempted to build houses. This is a fact. Today, it has been observed that while a person may wish to share with one his food and other things, the same individual will not wish to share his home. It is said that your home is your castle and a most sacred place, hence my emphasis on the question of home ownership. Successive PNM Governments have recognized this and, as such, 50,000 housing units were built during the period 1962—1986 throughout Trinidad and Tobago.

Global trends reveal a problem of inadequate housing in both the developed and developing countries. It must be noted that some 700 million people live in absolute poverty in the developing countries, hence, house ownership is also their problem. When the People's National Movement Government jubilantly returned to office in 1991, the most significant development was an unprecedented growth in squatting. During the five years of the NAR administration, the squatting population grew from 8,000 families to some 50,000 squatting families.

6.00 p.m.

This lawlessness was encouraged by a minister of the administration before the PNM administration came in. This proliferation in squatting, with no regard whatsoever for regulatory agencies, has resulted in many social ills. Persons are now living on useful river banks, picturesque hillsides, important road reserves and land below sea level, flood plains and other unsuitable, unapproved sites posing the threat of major disasters, tempting nature, as it were, in some instances.

For example, in the industrialized countries the general condition of housing and basic services are worsening. In the United States of America, the number of homeless is estimated anywhere from 500,000—3,000,000. In Canada, from 20,000—40,000 people live on the streets. In the inner cities of the United Kingdom, homelessness is a national crisis. Persons sleep under bridges and open places even during the winter.

In developing countries shelter and neighbourhood upgrading is needed for up to 50 per cent of the population. Further to this, the population of slums and

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squatter settlements are increasing at twice the rate of the cities themselves and four times as fast as world population growth.

Before I come closer to home to establish what the PNM Government has achieved in housing despite our economic situation, statistics show that world population is expected to increase from 4.8 billion in 1995 and may go to 8.2 billion by the year 2025; that would be some time after the present Government goes out of office as predicted by the Prime Minister. I suppose it would then be the problem of the People's National Movement government to build houses at an accelerated rate.

There seems to be no clear-cut plan on policy of the Government on housing except that we heard this evening that the Government will proceed with the sou sou land concept; a concept that did not build any houses during a five-year period. What it did was to procure arable agricultural lands from different sources and had them developed to some point—

Sen. Cuffy-Dowlat: Mr. President, on a point of order. I did not say that the Government will adopt the sou sou land policy. I said these words may well be adopted.

Sen. M. Jagmohan: Mr. President, I am much obliged. If, in any way, I have offended the gracious lady, I willingly withdraw the parts of the remarks that were not applicable. This is my first session here and I am not well known in Trinidad, I am not used to the Parliament and I am not much of a public speaker as you will see, Sir.

Hon. Senator: You are doing well.

Sen. M. Jagmohan: Mr. President, this is a great mistake on the part of the Minister and the Ministry of Housing and Settlements not to positively set in train plans to build and deliver homes in whatever form to the less fortunate citizens of Trinidad and Tobago.

Can the Government advise this Senate as to what is the purpose of the sum of \$59,530 reflected in the Draft Estimates for 1996? If there is need, or if anyone finds it necessary, Sir, I would take my seat to get an answer. If not, at the end of the debate, perhaps the hon. Minister of Finance will advise accordingly.

It is our hope that the problem of squatting will be dealt with in a more humane manner because the people who are squatters are folks too and we cannot positively say what has driven them to become squatters. Two or three of our

distinguished Senators on the Independent Benches have raised a few questions that are relevant to what I am attempting to tell this honourable Senate. If we do not attempt to build houses and have the recipients pay for them then it would be an extremely difficult thing for the poor and dispossessed to own homes.

You see, my Friends, it appears to us that the present Government may be good intentioned but it does not have the wherewithal or experience to gauge from a certain angle or view, that every single home built by former administrations were financed in a way that unemployed workers had an opportunity to work in building those houses. Suppliers of materials also are employers of people, and I can go on enunciating what the chain reaction of the economic situation could be, has been and will be in building houses.

We are hoping, Mr. President, that with respect to another measure alluded to by Sen. Mahabir-Wyatt who is not here, and some other Senator, the Minister of Finance, before we leave—because he enjoys a tremendous amount of confidence from his hon. Prime Minister since I recall the Prime Minister saying in a number of places that he is collating the facts and he will talk to the Minister of Finance about it to see what could be done.

This takes me right back to the American system of politics where every President that comes in, a galaxy of about 500 of the most senior civil servants go out and another 500 come in. I am wondering whether the Minister of Finance has a semblance of that kind of power as alluded to by the hon. Prime Minister.

I cannot claim to know the Minister of Finance well, or at all, but what I can say is that he is to be a professional person and people who either call themselves professionals or who are real professionals have good hearts and they treat people humanely they are kind, generous, and willing.

On the question of labour issues, Mr. President and Members of this honourable Senate, the entire nation knows, and knows it well, that people who are looking for work or employment do not get work in their first encounter in the labour market in any meaningful way with respect to long and sustainable employment. It is very encouraging to hear some Members of the Government talk about sustainable employment. My great friend of about 38 years' standing, Sen. Selwyn John, might be breathing a sigh of relief, because he has some problems with respect to workers whose jobs are not really sustainable in the real sense of the word. He is a remarkable and outstanding citizen, one of the finest

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managers and administrators this country has ever seen. Why is he not one of the senior ministers of Government, I do not know?

6.10 p.m.

Sen. John: Mr. President, just to guide him, 45 years, not 38.

Sen. M. Jagmohan: Mr. President, Sen. John has 45 years' service in the Labour Movement. He did no other job besides that. That is what makes him such—but I have only known him 38 years now, so this is the difference. I do not want to get things mixed up [*Laughter*] but I am repeating myself. One of the finest gentlemen and one of the most remarkable leaders this country has ever seen, he is material for Prime Ministership. [*Laughter*]

If I may continue, Sir, a substantial number of workers depend on easy access to some form of employment early in their quest for work, hence the Unemployment Relief Programme is an excellent area where the needs of poor people can be met to satisfy the needs of their dependants in a reasonably quick time. The Unemployment Relief Programme has satisfied the needs of a sizeable section of the population, time after time. Many Senators and Ministers of this House may not know that large families are kept together because of the relief they get with respect to some form of employment with the Unemployment Relief Programme, but somehow or other, Mr. President, I am relieved by the thought that the hon. Minister of Works and Transport and I come from the same area. I know him well and have seen him grow as a young man, I am older than he is; and I also knew his parents, two of the finest people who felt for poor people and I am sure he will twist somebody's arm to get back the allocation that the URP lost. I will talk about it later.

Food on the table for families is guaranteed by way of the income they receive in exchange for their labour through the Unemployment Relief Programme, but a very serious concern to the unemployed and other persons who do small business on the strength of the Unemployment Relief Programme. Sir, I am talking about those who sell mauby, bread and shark, or whatever, or bake and saltfish to the workers in the Unemployment Relief Programme. I am talking about the maxi drivers who transport them; about the taxi drivers; the grocery shops that sell groceries to the people who work in the programme; about the hardware stores that supply the material to the Unemployment Relief Programme. All these people benefit from it, and this is the point I want to make.

The massive reduction of \$23 million removed from the 1995 level of allocation to the URP in 1996 is a very serious matter. It is more serious than, perhaps, most of us can imagine. This measure will create very great hardships to householders who depend solely on this programme for sustenance on an ongoing basis, because they are not as accomplished as others, who by their skills and training can find sustainable, regular and permanent jobs in other areas of the economy.

Mr. President, I am left to wonder why such drastic action in an area that holds out hope for the poor people of our country. May I ask the Minister of Works and Transport, to reconsider this fiscal measure. I hope he can see his way to reallocating the sum of \$23 million and even more, during 1996. That can be done in one or two tranches if it cannot be done at one time. We on this side, Mr. President, believe it is a genuine oversight on the part of those advising the Government, and I have a reason for saying “those advising the Government”. One Sunday I read that a gentleman called Ishwar Galbaransingh says the number of days for which the wedding banns should be up, is preventing tourists from coming and getting married quickly and going back, or something to that effect; and if it is now reduced to three days, it would be good for the tourism industry. I, too, agree with that. But what is it going to do with the social structure of family life and marriage in Trinidad and Tobago? That is indeed a big problem. I will not go into that any further. I suppose that hon. Sen. Rev. Daniel Teelucksingh might be talking about that in detail. It is in his area of calling and vocation. Then, Sir, on another Sunday a gentleman whom I do not know—permit me to say to say I live in the countryside, deep down in the south in the county of St. Patrick, in the constituency of Fyzabad—this gentleman talked about state boards and when they go out of existence who would be the likely people to be on those boards, and so forth. I hope I understood what I read. I think that is a matter for the hon. Prime Minister, and particularly the Minister of Finance; and the other Ministers under whose jurisdiction the different state authorities/boards and quasi state authorities fall.

Afterwards, I took into account that the name Ishwar Galbaransingh has a lot of meaning. The first name is one of the names by which Hindus call their God, Ishwar. The holy books are replete with the use of that expression. Mr. Ferguson—I used to see his photograph at all kinds of places on the political hustings. That gave me the idea that he is a man of influence. We cannot doubt that what he is saying is substantial and will materialize. That is my only reason for making the reference, Sir.

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Mr. President, many jobs and works planned by planners that go as development programmes are not totally executed during the first half of the fiscal year in Trinidad and Tobago, and I think my good Friend, the hon. Minister of Public Administration and Information knows this well, because he made very heavy weather, when he was on this side of the House and other people were on the other side, and he and his team refused to co-operate to change the fiscal year so that certain things could have been done to execute programmes. But that is now history. Perhaps, many of us in this Parliament never heard this idea expressed before, but you are hearing it from me today.

Mr. President, I am suggesting to the relevant Ministers present—but the Minister of Agriculture is not here, hence the Leader of Government Business will have a lot of work to do and I am sure that the Minister of Works will consider what I am proposing—that after the harvesting of sugar cane at Caroni Limited ends each year, a number of very useful heavy and medium-sized equipment and other types of machinery that go together with the infrastructure, are left idle for another six months.

SITTING OF THE SENATE

The Minister of Public Administration and Information: (Sen. The Hon. Wade Mark): Mr. President, I beg to move that this Senate continue to sit until 8.00 p.m.

Question put and agreed to.

6.20 p.m.

APPROPRIATION BILL (BUDGET)

Sen. M. Jagmohan: Mr. President, it would be extremely beneficial to our country, beautiful Trinidad and Tobago, if these pieces of equipment I referred to could be used to execute work programmes for the Ministries of Local Government, Works and Transport, and Agriculture, Land and Marine Resources. It would be difficult for people who never worked in the public service and who do not understand the other ministries as some of us do, to understand what this means. First of all, the equipment and machinery are left idle and we may know, as in the case of a motor car, at least, if it not used, it would cost you more for maintenance, to keep it going. The machinery is left idle, and if not used in other ministries there could be some book transfer of payment, and for all you know, the central government would be owing Caroni (1975) Limited every year, and not the Government having to give to Caroni (1975) Limited. I

think the hon. Minister of Finance referred to some book transfers—the accountants will understand that very clearly.

These ministries and their various departments already have a very competent technical and supervisory staff, if given all the resources, can surely achieve much more for Trinidad and Tobago. I might tell you, Mr. President, that I offered that suggestion to the American authorities in 1982 when I represented the labour movement of Trinidad and Tobago on the CBI project—general discussions on how to make the CBI work and how to make Trinidad and Tobago's economy a better one, and so on. It was accepted as a proposal but I do not know what happened next.

I need the undivided attention of the hon. Minister of Finance and, indeed, all Senators here. I am about to say something that is a bit terse, but I mean no disrespect to the Senate. The Clerk of the Senate and the other public service staff need not worry. In the fiscal measures of the budget presentation, the hon. Minister of Finance referred to 13 food items which have now been zero-rated. For me to read these out as though I am talking to people who do not know about them would be foolhardy, but in order to illustrate my point, I need to refer to them.

Cheddar cheese—a substantial amount of the population who have health problems, the doctors now advise them not to eat cheese or dairy products.

Corned beef—only a small group of people use corned beef occasionally.

Curry—one pound of curry can last a family of 10 for a month.

Fresh butter—all the specialist physicians are telling people to stay away from butter.

Macaroni—they say, the content of it is not good for people who are small sized as I am. [*Laughter*]

Peanut butter is not put on the grocery list of so many people.

Salt—many people are debarred from using it.

Sardine in tins—the scientists are now saying tinned foods must be watched carefully before consuming.

Smoked herring, I am told that is a delicacy people use, but not always.

Toilet paper—no comment. [*Laughter*].

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Yeast is not a commodity that one buys in large quantities.

Baking powder—homes that use around 100 pounds of flour for a month; 25 pounds every week; large families of 8 or 10, will tell you they do not want more than two pounds of baking powder for the month.

These 13 items that are zero-rated. Who are the people who advised the hon. Minister of Finance? He thanked all his Cabinet colleagues in the other place for assisting him, but were they thinking seriously? I have six items I want to talk about that are zero-rated, and that are the lifeblood of the entire population, and are much more meaningful to certain segments of the society. Apart from bread being baked in the conventional bakeries, we all know a kind of food which we called paratha for over 25 years, and which is now called "buss-up-shut". The sophisticated visitors who come to Trinidad and Tobago refer to it by another name—I would not waste the Senate's time explaining. Mr. President, you and I know the Hindu community engages in long periods of prayers and thanksgiving services—seven days Ramayan Yagya, 10 days Bhagwat Pooran discourses, kathas and weddings. Their wedding ceremonies start on a Friday evening and last for three days, and there is tremendous feasting. With respect and humility, I suggest, a bit of overeating also takes place on those days.

Sir, this item though zero-rated—

Hon. Senator: What item?

Sen. Jagmohan: Flour.

Sen. Kuei Tung: Let me just correct the Senator, Mr. President. This listing that was given was in addition to those that were already zero-rated. Milk, flour and sugar are already zero-rated.

Sen. Jagmohan: Mr. President, the point we are making, these should be further reduced. What is very interesting, is that the last administration zero-rated whatever the hon. Minister is referring to, and not his administration. A substantial number of the population who might have voted for any party other than the PNM is being discriminated against, viciously. That is the point. Because no consideration was given to reducing the main items of staple food that they use daily, and they have already swung to the People's National Movement with their support.

6.30 p.m.

Mr. President, I am in an excellent position here with my discourse on this. Rice is rice in any form and everybody eats loads of rice. Is it not very expensive in relation to other foods that were zero-rated? Channa, or chick peas, is one of the very expensive food commodities on the open market. If there was so much concern and care for people, is this not one item of which the price should be reduced by whatever price mechanism the Government had to use? All the Indian delicacies, whether it is called baigane, kachouri or phoulorie, require split peas or channa in their preparation. Every segment of the community partakes of those delicacies and the prices of ingredients are now becoming prohibitive. These should be reduced together with what I am referring to.

Mr. President, with your permission, I wish to state that philosophers have been speculating on the rules of human relationships for thousands of years and there has evolved only one important precept. It is not new. It is as old as history because Zoroaster taught it to his fire worshippers in Persia 3,000 years ago; Confucius preached it in China 24 centuries ago; the founder of Taoism, taught it to his disciples in the valley of Han; Buddha preached it on the banks of the holy Ganges 500 years before Christ. The sacred book of Hinduism taught it 1,000 years before that; and most importantly, the Lord Jesus Christ—

Mr. President: The speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. V. Gilbert*]

Question put and agreed to.

Sen. M. Jagmohan: I am much obliged to you, Mr. President and hon. Senators.

As I was saying, most importantly, the Lord Jesus Christ taught it among the stony hills in Judea 19 centuries ago. Jesus summed it up in one thought, probably the most important rule in the world, which is, do unto others as you would have others do unto you. I say no more on this.

I am back to the few points I was making. The food and delicacies I referred to are all deep fried. What is used to deep fry in Trinidad? Cooking oil—vegetable oil or whatever. The price of that commodity is very high on the market. In all sincerity, I am pleading with the hon. Minister of Finance—and

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outside of this Senate, wearing another hat, I speak for 60,000 people in Trinidad and Tobago. *[Interruption]* No, Sen. John speaks for NUGFW.

Sen. John: Mr. President, I speak on behalf of the labour movement in Trinidad and Tobago.

Sen. M. Jagmohan: Mr. President, I am much obliged and I want to thank my Friend, the hon. Senator. Maybe, I forgot, but other Senators are now reminding me of the power and weight behind that hon. Senator; that his own union is 40,000 strong and he speaks for the rest of the labour movement. Is he not more powerful than many people who allude power unto themselves?

I am pleading with the hon. Minister. If I could just get a nod of his head or some facial expression that would tell me—and I am more experienced than he is in reading facial expressions and body language—he is prepared to reconsider the matter, I would be extremely happy.

However, with respect to potatoes, more and more people in Trinidad and Tobago are becoming vegetarians because of medical advice, but the Government is not reducing the price of potatoes. It is hitting alloo very hard in all forms, be it boiled, fried or whatever; that commodity is very expensive. Would the hon. Minister reconsider that? If he was not the Minister of Finance I am sure he would have had another reason to take what I am saying into consideration.

Mr. President, all segments of the society appreciate, love and make use of Indian sweetmeats and delicacies. Although they are prepared Trinidad style they are still called Indian delicacies, and one of the very important ingredients is ghee or pure cow's butter. That, too, is very expensive and thousands of poor people cannot afford to buy it. When we checked the price at which it enters the country it is reasonable, but after all the mark-ups it becomes prohibitive and is put beyond the reach of poor people.

In a sense, what am I saying? The poor people of Trinidad and Tobago, especially the unemployed, the under-employed, the destitute and others who may come under similar categories, need consideration from the Government in this regard. They are now enticed because another segment of the society roared its objection to a certain fiscal measure and the Minister of Finance fixed it for them, which was a nice thing to do and he must be commended.

Mr. President, the desperation and hopelessness of poor workers in Trinidad and Tobago are issues we must address through the fiscal measures being proposed in the budget.

I am eternally grateful to the hon. Sen. Marshall for the point he made—of which I have taken very serious note—that the inflation rate should always be kept low. In so doing, the economy would move progressively. I am not using economic jargon because I do not want the Senators alone to understand. I want all people, who are very dear and near to me, wherever they hear my voice, to understand. I am particularly pleased that no part of the budget refers to alienation and no part of the budget refers to the parasitic oligarchy. That is a very nice thing. *[Interruption]* It does? Sir, the hon. Senator is advising me that it does. I have not grasped the budget as well as so many of our learned intellectuals who are full of wisdom, knowledge and understanding that only the Supreme Being can give.

Very importantly, Sir—and the representative of the labour movement would talk about it, I am sure; knowing him as I do—with respect to the question raised earlier in the day about who cares about who and so forth, I want to remind this Senate that when the NAR administration was in government, within a few months of its existence it reduced wages and salaries by 10 per cent and suspended COLA. The entire working population, meaning public servants, was affected by this measure and the recognized majority unions are still locked in battle, in a manner of speaking, in trying to get their pound of flesh in this business.

6.40 p.m.

When I say public servants, I mean everybody in the public sector who was cut down very badly by this measure. The recognized majority union for all sections of the public service is locked in battle—in a manner of speaking—in trying to get its pound of flesh in this business. We have the right mix of Senators present to deal with this problem expeditiously or else alienation will start to take place, if it has not already begun. Much has been said about the credit unions by our learned Friends.

Mr. President, I am reminding this Senate of my view, that a disastrous blow has been dealt to the poor working population of Trinidad and Tobago by the fiscal measure introduced on members of credit unions. Credit unions and trade unions are synonymous. The labour movement gave rise to credit unions.

Some Senators referred to the question of assisting young people to be independent, to go into small business or business enterprise. The Minister of Trade and Industry and the Minister who spoke in another place referred to this. The Minister has disappointed me with the manner of his presentation. We are appealing that the young people whom the Government plans to give loans to assist in getting into business should be given particular attention and trained first, be given the appropriate facilities within the framework of the infrastructure, and then finally, be given the money to start their business. If they become confused and do not succeed then that would be strengthening somebody's hand. In essence, I am saying that we need to be very careful.

Something that is bothering me was when the hon. Minister said he had only eight weeks to prepare his budget, but I know he has at his disposal career civil servants who would have had the same figures and facts to supply to any government coming into power.

In Trinidad and Tobago, we have the best civil service compared to anywhere in the Commonwealth in that the civil servants are dedicated, and, not only the civil servants; the firemen, the policemen, the teachers and much more dedicated, are the Government daily-paid workers. They are the people who carry the brunt of this society on their backs. They do everything possible to see that the society works properly. If anybody at all should be commended for this it should be Sen. Selwyn John, for he is in a very strategic position, playing a pivotal role in having the daily-paid people perform meritoriously at all times.

Mr. President, it is our hope and also our prayer that the hon. Minister of Finance and the other Ministers will take into account some of the projections—people largely misunderstand. I heard the gracious lady, Sen. the Most Rev. Barbara Gray-Burke, refer to soup kitchens. She belaboured the point that soup kitchens have only some kind of liquid food. My information is that they have all sorts of good food in those places which involves many people from all strata of the society.

Reference was made to additional benefits by way of the National Insurance Scheme but we have not had any data as to how the additional benefits will come about. It is our hope that soon supplemental documents will be presented to all concerned so we would know exactly what the benefits will be.

Mr. President, I thank you for tolerating me, Sir, to the extent you have. I also thank Senators on both sides of this honourable Senate for the attention they generously gave. I wonder if all Senators will get the same attention.

Thank you very much, Sir.

Sen. Nizam Baksh: Mr. President, let me, in my inaugural contribution, join with other Senators in congratulating you most warmly on your appointment as President of this honourable Senate.

I feel certain that your many years of leadership and executive experience will not only add luster to this sacred Senate, but will enable you to guide and control the proceedings with high levels of impartiality and contentment. I feel compelled as well to extend sincere congratulations to my colleague, the Minister of Finance, for his presentation of the 1996 Appropriation Bill in this honourable Senate. There is no doubt that the provisions of the Appropriation Bill have tackled, in a positive way, some of the fundamental and crucial issues which have had adverse effects on the different strata of our society.

I am confident that the 1996 budget will long be recorded as an embodiment of Government policies which have been deliberately designed to allow for equitable distribution of scarce resources to reduce levels of poverty, hardship and unemployment and, to facilitate growth and investment. Moreover, it will send a clear and unequivocal message to the national community that this Government of national unity is conscious of the levels of disparity and despair which have been inflicted on them by generations of PNM rule, and that it will strive steadfastly to repair the damages and to restore hope, trust, self-esteem, confidence and patriotism.

I propose in my deliberations to address issues relating to agriculture, including forestry and fisheries, as our Government of national unity subscribes to the fact that the agriculture sector forms the pillar of any growth and development. This sector must be afforded some measure of prominence because of the tremendous potential which is embodied in its satisfaction of local projected needs, as well as export promotion. Moreover, the potential of this sector is also linked to the knowledge and experience base of our agrarian orientation which has never been fully harnessed, and its cultural significance will enhance our policies and strategies.

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The fact that we continue to rely heavily on import substitution to satisfy our externally propelled and influenced consumer pattern, is a reflection on the skewed and lopsided emphasis of the agricultural sector.

In an effort to address this unbalanced situation the Government has decided, therefore, to clarify its policies in the agricultural sector. Recently it was reported in the *Express* of January 19, 1996, that the hon. Minister of Agriculture, Land and Marine Resources outlined Government's policies for the agricultural sector as follows:

“The aim of this Government is for an agricultural sector that is efficient and competitive which:

- Addresses the peculiar circumstances impacting on Tobago;
- Provides for expanded employment opportunities;
- Ensures domestic food and nutrition;
- Is characterized by sustainable development and management of the natural resource base, i.e land, water, forest and marine resources;
- Seeks to rationalize the involvement in the state-owned enterprises to generate increase foreign export earnings;
- Lays the foundation for social stability and rural development security;
- Attracts private investment;
- Seeks to rationalize the involvement of the state-owned enterprises within the sector.”

6.50 p.m.

I quote further from the said publication.

“This Government regards growth in agriculture as strategic to the overall growth and development of the economy and the society. We see a sector which will lead to the upgrading of the physical environment and to the creation of a social and cultural environment marked by peace, prosperity and stability due to the way it would anchor the people in the landscape, create productive linkages among the communities and sectors that make up our nation, and in the final analysis, breed the level of self-confidence required to face up to the ever-changing rigours of the global order.”

Succinctly, these are the policy guidelines which will direct the future course of the agricultural sector in Trinidad and Tobago. These policies will ensure sustainable economic growth; increased levels of employment, additional foreign exchange earnings, management of the natural resources as well as environmental protection; enhance more effective intersectoral linkages such as agro-industry, supplies to the tourism sector and school nutrition programme. I am sure we have been looking forward to this. It will impact positively on social stability and alleviate poverty.

In order to achieve these clearly defined goals and objectives the following measures will be employed:

- (1) Factory and field operations of Caroni (1975) Limited will be modernized in accordance with the tripartite agreement through a budgetary allocation of \$42 million;
- (2) Rural access roads and bridges will be refurbished through a budgetary allocation of \$19 million to be undertaken by the Ministry of Works and Transport;
- (3) Refurbishment of rural access roads to be undertaken by the Ministry of Agriculture, Land and Marine Resources at a cost of \$4 million;
- (4) Youth participation will be promoted in agricultural pursuits at a cost of \$5.25 million for youth agricultural credit and training programme;

Over 500 youths will be trained. The integrated efforts of this Government is evidenced by the policy statement of the Minister of Labour and Co-operatives in an article headlined, "26 credit unions to go under" in the *Express* dated January 17, 1996. It states:

"Another project of that Division would be the development of two agricultural estates in East Trinidad, Partap said, adding that this pilot project was intended to train 500 young people in agricultural pursuits."

- (5) The finance and agricultural business of farmers for investment at \$20 million through the IDB global and agricultural credit loan;
- (6) Rehabilitation of the Oropouche Lagoon at \$1 million;

- (7) Infrastructural development at major fishing and landing areas at a cost of \$0.7 million.

Government proposes to enhance domestic production of food where technically and economically feasible. The focus of attention will be on the reduction of the cost of feed to both the ruminant and monogastric sub-sectors of the industry. Our policies for the livestock sub-sector will be geared towards the cost effective production of more milk, meat and eggs directed towards the satisfaction of domestic needs. Extension services in respect of the farming community and those involved in aquaculture will be strengthened and expanded in order to support this policy. This Government intends to rehabilitate and upgrade the facilities available with regard to training and developing fisheries, forestry and agriculture, thereby enhancing the capacity of the sector to respond to the challenges which confront us.

Positive measures will also be instituted to encourage food production especially for disadvantaged income groups. Programmes to increase food production are expected to be enhanced with the distribution of 2,000 acres of land from Caroni (1975) Limited and a further 7,000 acres from state lands. Small scale farming on a commercial basis, either through sole ownership or co-operatives, will be encouraged and promoted. Incentives will be used to attract private investors. Ongoing discussions will be convened with commercial funding agencies in order to make funding available to facilitate private investment for agriculture, such as the commercial banks, as well as private investors.

Plans are on stream to increase foreign exchange earnings through both traditional and non-traditional export of agricultural products. In this regard, it is pertinent to note that the hon. Prime Minister of Trinidad and Tobago has announced that the foreign missions will be required to explore the possibilities of establishing trade contacts especially for marketing avenues for non-traditional commodities. This is one of the areas which the Government is convinced has not been fully explored and where much potential exists.

The structural changes which are likely to emanate from the agricultural thrust may necessitate the introduction of social mitigation measures. In this regard, the Ministry of Social Development will be required to promote programmes and activities which will enable the rural communities in particular to cope with the structural changes which are taking place and the necessary adjustments. A social mitigation programme which involves the disbursement of \$60 million is being developed.

Additionally, consultative approaches will be assumed to address the problems of squatting. Efforts will be made to ensure that the regularization of squatters through a land tenure scheme will be implemented. Another aspect of social stability which will be addressed in a positive way is praedial larceny, the rampant prevalence of which serves to destabilize, demote and demoralize those affected. While efforts will be made to address the issue through legal provisions this Government plans to reactivate community watch groups especially those in rural areas with heavy concentration on agricultural pursuits.

Government has decided to utilize the provisions of the tripartite agreement to assess and guide the future operations of Caroni (1975) Limited. In this regard, Government has decided to balance certain outstanding accounts as follows:

- (1) Outstanding payments to the Board of Inland Revenue for VAT, PAYE, health surcharge and land and building taxes at a total of \$238.5 million;
- (2) Outstanding arrears owed to workers based on the tripartite agreement which was awarded by the Industrial Court in 1985 amounting to \$20.4 million.

If I may elaborate on this a little, it is the PNM Government that appealed the decision of the Industrial Court and the NAR Government withdrew the appeal and began making partial payments on the arrears owed to sugar workers. The PNM Government made payments in two tranches and now this Government is making the final payment of \$20.4 million to finish the payment of those outstanding arrears.

- (3) Outstanding arrears of fertilizers and pest control; government subsidies which amount to 50 per cent of cane farmers' fertilizer costs and 100 per cent of frog hopper control at \$29.2 million. That is a total of \$287.9 million.

These sums are essentially paper transactions on both the revenue and expenditure size whereby funds are allocated through the books of the Ministry of Agriculture, Land and Marine Resources for the payment of outstanding statutory liabilities.

The benefits to accrue from these transfers are:

- (i) Caroni (1975) Limited will be able to pay the accrued indebtedness both to its workers and the Board of Inland Revenue;

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- (ii) The workers at Caroni (1975) Limited will benefit from receiving the outstanding moneys which were awarded to them by the Industrial Court;
- (iii) The company will be able to settle outstanding debt liabilities to fertilizer suppliers as well as the contractors who provide pest control services for farmers.

Government has also decided to embark on the infusion of new private investment in state owned Caroni (1975) Limited. Efforts are being made currently to identify the specific arrears for the attraction of private investment in the sugar industry.

7.00 p.m.

Mr. President, I have attempted in my address to highlight some of the major policies and strategies which will be pursued by this Government of national unity during the course of 1996 and beyond.

The critical element of the agricultural thrust relies on the participative and consultative machinery. The very intent of this innovation is to allow for consensus and involvement of those affected.

I am confident that there exists at present a high degree of euphoria and optimism among the people of Trinidad and Tobago as they are all motivated and ready to marshall their forces with this Government of national unity. I know that there is hope as there is every indication that we shall move in the direction of growth and prosperity through our policies.

With this dispensation, we are very confident that we have a Government of national unity which, at all times, will work for the people, with the people and by the people. This Government of national unity intends to make agriculture a major part of our lives.

Mr. President, I thank you.

Motion made and question proposed, That the Senate do now adjourn to Tuesday, January 23, 1996 at 10.00 a.m. [Hon. W. Mark]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.02 p.m.