

Leave of Absence

Wednesday, January 24, 1996

SENATE

Wednesday, January 24, 1996.

The Senate met at 10.01 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence from today's sitting to Sen. Diana Mahabir-Wyatt.

APPROPRIATION BILL (BUDGET)

[THIRD DAY]

Order read for resuming adjourned debate on question [January 22, 1996]:

That the Bill be now read a second time.

Question again proposed.

Sen. Penelope Beckles: Mr. President, I too join in complimenting the hon. Minister of Finance on his maiden budget presentation in this Senate. I take this opportunity to wish all Members of this Senate the best of everything for 1996.

Mr. President, from my contribution, I hope the Minister of Finance would be able to clarify a number of issues that arose as they relate to his budget presentation. I would also be asking a number of questions and making some suggestions.

The first issue I would like to deal with is in the area of crime. One would recall that the Minister of National Security gave us a considerable amount of statistics dealing with repeat offenders, and he gave a very good idea as to the number of prisoners that currently occupy the Golden Grove Prison.

Mr. President, he gave some ideas for dealing with these repeat offenders and indicated that one of the areas he would be looking at is that of prisoners being used to assist with respect to agricultural production so they would be able to feed themselves.

Throughout the Minister's presentation, he gave no idea as to how the allocation to the Ministry of National Security would be spent in order to achieve

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the objectives he stated, and he made heavy weather about the members of the police service being demoralized by the past administration.

There are certain very critical issues of crime that have not been addressed at all by the Minister of National Security. For example, on today's *Trinidad Guardian*, in an article headlined "Death Row overflowing with 88 killers", the secretary of the Prison Officers' Association indicated that—

"...Death Row accounts for 40 per cent of the space at the State Prison.

To Find room for one extra killer, we may have to displace a whole section of about 200 prisoners."

He further went on to say that he has now appointed the Mercy Committee which should come into effect shortly. He further commented on the fact that appeals are taking very long to reach the Court of Appeal and he was concerned about the appointment of judges that would assist in expediting this matter.

Mr. President, I had hoped that the hon. Minister of National Security would have at least indicated his Government's position as it relates to the death penalty. They have been very silent on this issue. What is the Government's position as it relates to the prison that should have been opened at Golden Grove? What is the position as it relates to the contract that would deal with the whole security at that prison? He has been silent on those issues.

With respect to the prisoners getting involved in agricultural produce so as to assist in feeding themselves; that is nothing new. If one were to pass by Golden Grove on any given day, one would see that the prisoners are actively involved in agriculture. The issue that has to be addressed is the one of the surplus because thousands of pounds of pumpkins, ochroes and other vegetables are already grown on the grounds of the prisons. The issue is whether or not the surplus of the produce can be sold and the money used as compensation to the victims of crime. It is nothing new that agriculture is already in train. There is no policy on what is to be done with the surplus.

10.10 a.m.

Mr. President, I am also hoping the suggestion that the Minister of National Security made would not only be considered as it relates to the prisoners, but would also be considered with respect to the defence force. There is a considerable amount of land down at Tetron, and members of the defence force

can be encouraged to become actively involved in agriculture so that they can also assist in feeding themselves.

One of the other areas is that of rehabilitating the prisoners. The Minister gave several figures related to repeat offenders. The late Michael Hercules, who was at that time the then Commissioner of Prisons, had a system where several prisoners who were interested in rehabilitating themselves and obtaining O'levels, could have studied while they were in prison. The prison officers themselves are already involved in all different types of trade; assisting some of the prisoners in tailoring and many other areas.

The suggestions that the Minister of National Security spoke about have already been implemented. It is a question of ensuring that they send the correct message to the Commissioner of Prisons and deal with the issue of the surplus of agricultural products also to give a directive with respect to the issue of rehabilitating the prisoners.

No mention was made of the contract for bringing prisoners to court. I read some time ago in the newspapers that a new court is to be opened in Chaguaramas and one in San Juan. No mention was made of that by the Minister of National Security. I am wondering whether we are being fed information or the implementation of the budget from the news media. Here it is a court is to be opened in Chaguaramas and one in San Juan and no mention was made of that by the Minister of National Security in his presentation.

The Government talked about consultation. Have they consulted the Criminal Bar Association? Have they consulted the Law Association? I heard that court is due to be opened next month. No mention was made as to what it would cost to have that court in Chaguaramas, and another in San Juan. All those are matters which are relevant. No mention was made with respect to the judicial complex that should have started in Arima and that would have housed a supreme court and two magistrate courts. The Minister of National Security has made no mention of that. These are the issues. If the Minister is serious about tackling crime, he should have come to this honourable Senate and indicated what is the position with the Department of the Director of Public Prosecutions. Is he going to increase the staff? What is the position with respect to the judges and magistrates? If two new courts are opened, are new magistrates going to be appointed or are we going to have a situation as is very often in the courts, and there are several courts that are empty because there are no magistrates? No mention has been made of that.

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Mr. President, I am going to read from *Hansard* dated September 6, 1994. I am quoting from the hon. Sen. Wade Mark on the Bail Bill (5.40-5.50 pm):

“If this Government was serious about crime in Trinidad and Tobago, they would do like the Americans, bring a total comprehensive package. Our good Friend, Sen. Ainsley Mark was speaking a short while ago and he made reference to the fact that this Government likes to deal with things comprehensively; it is a comprehensive regime. If it is a comprehensive regime, why not bring a total anti-crime bill to the country or bring a total criminal justice bill to this Parliament that would take into account all the elements that would bring into being, for instance, law, order and stability.”

Mr. President, I had hoped that in the presentation of the Minister of National Security some mention would have been made of the American system which Sen. Wade Mark seems to prefer. I thought that we would want to develop our own systems.

The present Government made heavy weather of crime during its pre-election campaign. Every day on the news media we would be told how many murders, how many robberies; we would have thought that as soon as they came into office that we would have seen some decline.

Mr. President, when we looked at the *Trinidad Guardian* some weeks ago, we saw a picture of three women being charged for murder that is when we began to wonder what is really happening. Is it a situation where they have such a comprehensive package that crime is just going to disappear? The Minister of National Security spoke about residents being able to walk comfortably and not having to worry about crime. I see Sen. Wade Mark shaking his head. So, I expect that as soon as this budget bill is passed, we will no longer have crime in the country.

Mr. President, the question is: Where is the anti-crime bill, where is the American system that they are going to adopt? The Minister kept talking about the past administration. They are in Government now. Let us hear what their policy is. They have the opportunity to bring their bill, and to say what it is they are going to do.

What is the position on night courts? The Minister has not mentioned that. Are they going to continue it? Are they going to stop it? The Minister made no comment.

I thought, based on his comments, and listening to the contribution of Sen. Gabriel who spoke on the question of youth, illiteracy and sport, that there would have been some link between sport and crime, and that would be one of the policies the Government would want to put into effect.

Mr. President, I was fortunate last Saturday to have been invited to Santa Cruz for the opening of the Brian Lara Recreation Ground. Incidentally, the Minister of National Security used to live in that area. That function was carded to begin at 11.00 o'clock in the morning. I was informed that the Prime Minister was invited. He indicated he could not attend. Also, the Minister of Sport and Youth Affairs, along with the Minister of National Security, was supposed to have attended. We waited until 12.30 p.m. and none of them turned up. Brian Lara, Trinity Cross holder—not even a message from those people—we waited in vain.

I wonder about all this talk about community consultation and so forth and there was a ground being opened with excellent facilities, and they chose not even to show up.

Yesterday's *Guardian* referred to the fact that there was a committee set up to deal with crime, with certain recommendations to the hon. Prime Minister. It is quoted that he said he will have to wring the hands of the Minister of Finance to get \$5 million. He accepted the recommendations. I do not know where that \$5 million will come from, but we are really wondering what is the signal that is being sent. Twenty million dollars in arrears was paid to Caroni; the WASA workers complained, \$8 million was found; a committee came and said it costs \$5 million to implement a plan. Are they going to find that \$5 million? Obviously, the Government seems to have a lot of excess money. Once everybody complains they would find the money. That will now bring me to deal with the issue of the National Library Complex.

Everybody has said their bit about that, but maybe, the members of that association would have to adopt the position of either the Chamber of Commerce or the Trinidad and Tobago Manufacturers' Association (TTMA) and have a luncheon, invite the Prime Minister, make their presentation and obviously, he would pursue or wring the hands of the Finance Minister and they will find that money. [*Desk thumping*] Do they think that education is important? It is very convenient to simply say that you are going to defer a project.

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The Library Association has gone so far as to say that they will find the money and they will assist, they will start a fund. That is the extent. If they are talking about consultation and the involvement of the community they are saying, yes, they will assist. Fincor said that they can spread the payment over 20 years. Clearly, the issue is not cost. Is the issue that of the site being in Port of Spain? Is the issue that a promise was made to the National Theatre persons so they can now have part of that building? What is the real issue; ten libraries instead of one? Or, is it that we are to assume that the real understanding is that some persons think that a library is simply a building?

10.20 a.m.

All countries developing, developed and under-developed aspire to have a national library complex. The dawn of information has heightened this need. It is a part of nationhood that we want to see the capital look as best as it could. Whether we face it or not, Port of Spain is the capital of Trinidad and Tobago until otherwise. To my mind this library complex should be seen as a missing link in the existing chain of the library information and it would provide for the documentation of services which have developed in this country. Sen. Gabriel said the last administration misled the population in terms of the figures that they gave about illiteracy, this is an opportunity to have a building that can provide the sort of services that would assist in reducing crime and educating the youth and a place that we would all be proud of.

Sen. Tota-Maharaj spoke yesterday about a place for abused persons and that her Government would be protecting the poor. What does it mean to protect the poor? So far no statement has been made as it relates to the problem of vagrancy. Is it one of the issues that is being swept under the carpet? I heard Sen. Gray-Burke speak about the potential dead and that it is easier to have cheaper food than to go to eat in soup kitchens. They still have not spoken about vagrancy.

What is their definition of who is poor? Is it a person who is unemployed, under-employed, the potential dead or the persons who are in Woodford Square? Who are those persons? What would it cost to protect the poor? Is the Government protecting them from crime? The point is that it is nice to come with language that one thinks the people of Trinidad and Tobago want to hear, such as they are caring; they would protect abused persons, deal with domestic violence and crime. Here we are talking about a budget. No one wants to say at any point in time what it costs to do these things.

In another place the Minister of Local Government spoke about the increase in allocations to local government and that very often the previous administration cut the allocations to the various corporations and boroughs. When one looks at that allocation it is all a question of increase in wages and salaries. What about the development programme and the whole issue where money is released at a particular point in time during the rainy season when no work can be done? What is the issue on the daily paid workers and those who come to work at 6.00 a.m. and leave at 8.00 a.m.? How are they going to deal with that?

I thought that instead of saying that there is an increase in allocation that the Minister would have made a statement on that. Is it that they have now put something in place where the allocation would come early? What have they put in place for the equipment in most of the borough corporations to become functional? I heard the Minister of Works and Transport saying that—what almost sounds to me like deploying—if work cannot be found for someone here that person would be sent to another ministry. Are they going to put a system into effect where the Ministry of Works and Transport can assist the Ministry of Local Government when there is no roller to fix the road?

What is the position on the issue of the collection of rates and taxes? The market laws are such that some people continue to pay just about \$1.00 or sometimes less to vend in our markets and some make in excess of \$1,000 and still pay \$1.00. I thought that at least some sort of comment would have been made by the Minister of Local Government about those issues.

We have to decide whether or not the signal we want to continue to send is positive. We know that there is unemployment but is it going to be a situation where more than 90 per cent of the allocation would go to wages and salaries? When we look at what happens in many of the borough corporations, it is a question of wages and salaries.

I move on to another area. In the budget speech the Minister of Finance indicated that his concern or objective was sustainable job creation. He also said that effective social services programmes would be addressed among other things including that whole issue of poverty. I have no doubt that in his contribution the Minister was well-intentioned.

Let us just look for a moment at the issue of savings and investments. Is it simply that when one's disposable income is increased that savings in the country would automatically increase? It is an accepted economic principle that one

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cannot assume that because a person has more money that he would save. Let us go further than that. In 1995 mutual funds to the TTMF attracted a tax relief of 50 per cent while in 1996 there will be none; in 1995 Trinidad and Tobago bonds attracted a tax relief of 15.20 per cent and in 1996 there will be none; UTC attracted \$625 tax credit and in 1996 nil; dividend income allowance for both 1995 and 1996 is nil, and for the credit union of course there would be the removal of that in 1997.

What is really the signal? Where are they now telling the small person that he should save? What is the incentive to save? Is it that somehow one gets the impression that they are forcing people to save in the commercial banks? One must concentrate on the macro environment in which the credit unions operate. One must look at the legislative framework and consider the structure that is underpinning the credit union movement. The credit union sector is constrained; normally a person would borrow from the credit union at one per cent of the reducing balance. When the interest rate on the market is being bullish the credit union would be unable to satisfy the expectation of its members for a return on their investment in excess of 8 per cent; it is constrained to charge the members a rate of 12 per cent. Because of the legislative framework of the credit union there is the issue of bridging loans and demand loans. The operating structure of the credit union discriminates against certain things that the credit union movement cannot get into.

10.30 a.m.

Now whilst they may wish to tell you that they have given a year's notice and that 1997 is when you will start not having the benefit of this tax credit, the point is that one would have hoped that at least the Minister of Finance would have said somewhere in his speech that he would be looking at the whole issue of the legislative framework of the credit union.

Now I saw in the newspaper today that the Credit Union Movement is indicating that if this is the position they will find themselves in, the legislative framework has to be dealt with. One would have thought that it would go together. They could have said that they would give a year and within that year what they expect to do is come before the House and have some amendment to that Act. The Minister of Finance may not be aware of that. I can provide him with a copy of the Act.

As I said, with respect to savings and investment, let us not, as they seem to have been doing, pat ourselves on the back and say, \$20,000 and less—no tax, so the small man has much money to spend. I am hoping that they would seriously look at the whole issue of the Credit Union Movement again.

I would commend to the Minister of Finance an article in the *Trinidad Guardian*, dated January 22, 1996, headed “The Game: Dwarf vs Giants”. That article is written by Dr. Ralph Henry. I quote:

“The irony of the level playing field is that the result would be anything but ‘level’, or equitable between those who will benefit most from this measure, as against those who would lose the most. The former are a much smaller group compared to the latter, which is what sensitive tax officials would note before implementing a measure.

The Unit Trust is a dwarf compared to the commercial banks. The latter had assets of some \$20 billion at the end of last year. The Unit Trust had a mere \$1 billion and by law, is required to distribute almost all its profits annually. No such restrictions apply to the banks. They have far greater latitude in what they can do and how they manage their portfolios.

The mass base of the society owns the Unit Trust. Its profits are shared more widely than any bank. Anybody who goes to a board meeting of one of the big banks would know that the structure of ownership does not reflect the society in all its elements.

More than that. The new rules for taxation of the Unit Trust results in an effective tax rate that is far more punitive than the rate of tax on bank profits. In other words, the giants are now on the same playing field with the dwarf, playing to different rules.”

Mr. President, I commend this article to the Minister of Finance. He has several other very interesting comments. I really do hope that the Minister of Finance, in leveling the playing field as he said he is wont to do, will appreciate that certain important structures and mechanisms must be put into place before this actually happens, if there is such a thing as leveling a playing field where there is a dwarf and a giant. Where there is a dwarf and a giant I do not think there could be any such thing.

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The other area I wanted to discuss is the issue of small businesses. The link between unemployment, poverty and empowering persons interested in getting into small business is very important. We always talk about setting up this and that task force. From the contributions made by the other side, they seem to be suggesting that they are very much aware of all that needs to be done. If that is the case, let them do it. I think that it is time that we stop saying who did not do this and that and who should and should not have.

The present Prime Minister was in opposition for a number of years aspiring to become the Prime Minister. He has become the Prime Minister. He must have known all those years what he really wanted to do when he got into government. This excuse about having two months to prepare a budget, really! If he is doing the job, let him say that he is doing the job. He should not say “only because”. It is time to stop the back pedalling in order to go forward. If he is moving, let him move.

The Minister of Culture says that the Ministry of Culture “had no coherent holistic policy” and that the whole Ministry of Culture was in a mess. I, and all the other female members of the House and the Senate, attended a function shortly after we were appointed. We were invited to that function by the NGOs. The Minister was present and glowing tribute was paid to the last Minister of Culture. Several members of the NGOs indicated that she was very open; she always gave a hearing, and certainly they were very proud when Trinidad and Tobago attended the Beijing Conference that dealt with women’s issues, several of which were raised by the Minister of Culture today. It was very interesting that having heard all those tributes paid to the past Minister of Culture, that I would hear that the whole place is in a mess and that there is no policy on this and that.

When one looks at the 1996—1998 *Medium Term Policy Framework*, almost all that is written there is taken wholesale from what was there before. If the Minister of Culture and Women’s Affairs is now going into the ministry and she has a particular vision and wants to go in a particular direction, then she should do so. Go in that direction! She should implement her policies. No one is perfect. I am sure all the Ministers here could have said what was not done and what they met. Come here and say what you are going to do!

She indicated that she will deal with certain issues relating to the Succession Act and domestic violence. It was stated before that the Family Court will come on stream. Unfortunately, I have not heard any specific allocation to deal with

that court. I know that most of the work has been completed with respect to the structure and how it will be set up. It may be that they want to review, scrap, change and put in their own ideas, but for too long this whole idea of the Family Court has been bandied about. Whether or not the last administration could have done it, let us forget that. If they are going to do something about it, let us hear something about that. We have not heard anything about that family court.

There is one other area as it relates to the issue of women's affairs and culture, and that is common law relationships. They indicated that it will now only take three days to get married, and I have heard that certain hotels in Tobago already have their chapels set up. *[Laughter]* Apparently, my Friends are aware of that. *[Interruption]* The Senator can ask his Friend who is next to him. He is aware of those hotels. They already have their priests, so that when these things come into effect, one can go there. I can say exactly where it is located in Tobago, but I know my Friends already know where it is. The Senator can go there. I know they have invited a couple of their friends for carnival so that this can happen—play mas, and get married at the same time. *[Laughter]*

10.40 a.m.

In dealing with this reduction of the time to get married, I hope we would be looking at the whole issue of common-law relationships. I know it will be a very emotional issue. Notwithstanding the fact that some people would adopt different systems, whether it be American, English, Australian, Canadian, we have to look at the Trinidadian system. If we do not want to deal with the whole issue of common-law relationships we must ensure that persons getting involved in unions that are not protected—when persons die and there are no benefits that can accrue—this is one of the areas we need to look at very carefully.

I would like to commend the Minister of Community Development, Culture and Women's Affairs as she cleans the mess in that ministry. She indicated that that is one of the areas she would like to address. I am sure, dealing with their continued approach on consultation and communication, that there are several examples they can follow. For instance, Barbados had that operating almost 15 years ago, Jamaica has recently implemented it, so there are several other countries that they can use as a guide, and have a piece of legislation that is unique to Trinidad and Tobago. I am hoping that is one of the areas I would be hearing about at some time.

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The Minister also mentioned implementation of some of the ideas that came out of the Beijing Conference. I am hoping that the whole issue of gender sensitivity would not only be within her ministry, but that that idea would be shared with her other colleagues as well. The Minister indicated that her ministry had in excess of \$8 million. I hope that it is not simply a question of saying that they are going to deal with this and there is this policy and so forth. It would have been very helpful if she had indicated to us how she would have been able to achieve some of the objectives set out.

My major area of concern is the fact that several persons on the other side spoke and claimed that they were giving specifics, in particular, the Minister of Works and Transport. Mr. President, it may be that I do not understand what it means to be specific. He gave a general description and then he said to us: "Now I am going into specifics". What were the specifics that he was going to do drainage and highways? He did mention the Oropouche River, the Caroni River and so forth. They indicated that there was an increase in allocation to the Ministry of Works and Transport. I mentioned a couple of projects that I wondered whether they had scrapped or reviewed and so forth. It is debatable whether that is right or wrong. I agree with Sen. Daly that it is a question of priorities, but at least if the Minister has his priority list let us know what that list is. *[Desk thumping]* Tell us that they prefer to construct the building that was earmarked for San Fernando, Caroni and so forth and it would cost "X" amount of dollars, so that we would know what to expect. This is a budget where we do not know what to expect. *[Desk thumping]*

Mr. President, we have people here who can hear well and they should come straight. When Sen. Wade Mark was on this side he always spoke about transparency and the Information Act; whatever information is needed we will supply it—open consultation. But when they come with specifics and there are no specifics, they should not tell us that they are being specific. The Minister of Works and Transport has not told us anything about what his ministry is really going to do. It is like hiding behind a cloud. They should be specific, because one would wonder if the intention is, somewhere down the road, having made a broad statement about drainage and highways, whether or not they could slip in something and say, well I told you I was going to do drainage and roads. Mr. President, specifics mean specifics. Give us your breakdown; the road will be going from here to there. The Minister gave us some kilometres— *[Interruption]* Yes, he said that, but is that going to cost all the money allocated to the Ministry of Works and Transport? Clearly not, Sen. Wade Mark, you have always been the

most vociferous one on the Opposition side calling for transparency. Let us be transparent.

If it is that the Government has already decided which contractor they will give the contract to for the Maximum Security Prison, let us know. The Minister has not said that. We would like to have a good idea about these programmes that he is going to put into effect.

Sen. Mark: But the PNM Government gave out the contract.

Sen. P. Beckles: Whether the contract has been given or not, let us hear from the Minister when the Maximum Security Prison will be opened. These are the things we are waiting on. If it is that the secretary of the Prison Officers' Association is complaining about the prison being overcrowded, I am sure they would have been extremely happy if the Minister had indicated in his address that it was expected to be opened on a particular day, or that he was looking at it closely and he would let us know at another time. That is transparency, Sen. Mark.

I want to close by making what I consider to be a very fitting comment. It is very convenient for my Friends on the other side—every time one of their speakers gets up he or she talk about this Government of national unity. I am hoping that one day somebody will define what that really means. It is like everything else they are doing, using these concepts and not being specific or just giving the specifics that are convenient to them. Let us hope that Sen. Mark in his delivery will define for the people of Trinidad and Tobago what is national unity. I await that, Mr. President.

I would like to read from an article by B.C. Pires called “Between the Lines” in the *Express* dated January 19, 1996.

Mr. President: The hon. Senator's speaking time 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. P. Beckles: Mr. President, I will not use the whole 15 minutes. As I said I am quoting an article from the *Express* dated January 19, 1996, and I know it is one of the articles Sen. Mark would like to collect. The writer states, Mr. President:

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“Did I ever think I’d say it at all, far less so quickly? Still, I will let it out: I would prefer to have the PNM back, at once, for ever, if the library came with them, than this book-bashing, ignorance-promoting government.”

10.50 a.m.

Sen. Rev. Daniel Teelucksingh: Mr. President, I want to congratulate the hon. Minister of Finance on being the first nominated Member of Parliament inclusive of both the Independence and Republican Constitutions to serve as Chairman of the Finance Committee of the House of Representatives. *[Laughter]* I have a reason for saying this, because I have always said that as far as the budget debate is concerned, our parliamentary system uses the Senate as a rubber stamp, and this is certainly a historic departure from tradition.

Mr. President, you will know that money bills were the business in colonial days of the Governor and his Executive, but this has continued from the crown colony system to independence. What we have had is not the Governor and his Cabinet or his Executive, but we have had a similar crown colony arrangement with the Prime Minister and his Cabinet, instead of the Governor and the Executive. From one type of benevolent despotism, to another model of benevolent rule, and this is hopeful what I am seeing here and what is happening to us. There are signs where the Senate would not be used as a rubber stamp, but there are signs that there will be a greater respect for the involvement of the Senate in money bills.

Mr. President, several epithets have been used to describe the 1996 budget: some people say it is a sweetheart budget; others say it is a Santa Claus in January budget; some say it is an election budget maybe past or to come; others say it is a people's budget; some people say it is a rake-and-scrape budget—I would like to add to this list of descriptions, my own—it is a budget that is "bold and beautiful."—*[Laughter]*

In its boldness, the budget is daring and courageous as it suggests the determination that the nation must have a greater say in the management of its own affairs, *vis-a-vis* the forces of globalization. I will return to this in a moment. It shows a determination not to roll over and die in the face of problems, whatever they may be. I think that the budget in its boldness is brave and fearless, but possibly shameless sometimes, in its challenge to the Unit Trust and credit unions by abolishing tax credits; bold enough to reduce tax claims on mortgage

interest, possibly bold enough to be accused of being rude and forward, and boldness also means that.

On the other hand, I think the budget is beautiful in its reduction of personal income taxes, freeing the lower classes from direct taxation. I think it is beautiful in winning the applause of the man in the street, such as I have not heard for a long time. Mr. President, I think there is something beautiful in the reduction of import duty and the removal of motor vehicle tax on new cars. I also think, if there is something beautiful in the budget, it is its willingness to revisit the castle of the VAT vampire. There is something beautiful in its determination to treat poverty as an unwelcome guest. I hope that the 1996 budget, in its boldness, would reflect responsibility, and its beauty would be more than skin deep.

Within the past years the globalization of the world's economy has had its impact on Trinidad and Tobago as well as every developing society. We have been influenced by forces in international trade, international flows of money, interest rates in various economies affect us, and capital roams freely around the world. We are seeing, as someone said, the evolution of a borderless economy. The international scenario has been frightening for us as one can easily identify governmental and national policy in Trinidad and Tobago in this global race. In the Budget Speech of 1994, the Minister of Finance nervously advised that we must prevail in the global race; someone also said, if we do not follow suit we would be left behind. I noticed the present Minister of Finance also used that phraseology, "we cannot afford to be left behind".

We have allowed ourselves to be confused and terrorized by the tremors of globalization—although we have been warned in a drowning situation, not to panic. One aspect of globalization—and this word came up in the last four or five budgets—of the world's economy is its effect on economic sovereignty. I have a particular interest in this; it has always bothered me. Many experts claim that globalization is emasculating the modern state. I have always held the view and always wondered why is it I get the feeling from the policy-makers in our land that because of what is happening we must have a mind-set of surrender and helplessness. I was so relieved and I must share this with you; I consider this to be so very important. It has been at the heart of the policy of our governments and policy-makers throughout the years, this is why I am so concerned.

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In the October 07, 1995 issue of the *Economist*, I read a beautiful article that I must share with you, Mr. President, it says:

"One of the experts says that the new orthodoxy of the helpless state is wrong."

This was my Christmas gift for 1995. Because we have always believed that we must roll over and die in the face of the forces of globalization. Somebody who knows is telling me that that orthodoxy of the helpless state is wrong, that a country need not surrender to global forces and roll over and die.

It goes on.

"Yes, the world has changed, the global economy has arrived, but the concept of the powerless state is a myth."

And that is so very important. My country does not have to be a powerless state. That is so very important. My country does not have to be a powerless state, that is a myth, and the last few governments, including the present one—because this kind of fear is also in the budget—have been captivated, their minds have been governed by this myth, that this has to be a powerless state. We have acted that way and I am concerned. Nevertheless, I must say I rejoice in the tone of the 1996 budget and feel optimistic that our nation can control its destiny and resources. To continue from the *Economist* of October 1995. It goes on:

"Those arguing that the economic powers of the state have been blown away, they need to think again."

We must think again, this is a good time for us to look at it and possibly reorganize our policy conviction and direction. I believe that even a small country as ours can control its resources and have a say in its destiny. This makes for me the 1996 budget a testament of hope.

11.00 a.m.

We have been told for too long, if we do not follow suit, we will be left behind. I do not believe that. Left behind whom? Who has been telling us that anyhow, that we would be left behind? And we have fallen for that kind of myth hook, line and sinker.

Small nations have been coerced, blackmailed, threatened, pressured, and they are the objects of economic terror tactics and made to feel by the prime movers of

globalization, that we are powerless. I want to read a short quotation from the *Harvard Business Review*, March/April, 1993 where there is an article which goes like this:

“Globalisation means having a global vision and strategy, but it also means cultivating roots and individual identities. It means nourishing local insights, but it also means re-employing communicable ideas in new geographies around the world.”

Listen to this:

“The more human beings belong to their own time and place, the more they belong to all times and places.”

We must nourish each blade of grass, but we should not neglect the global garden.

Our policy makers have been so imprisoned by desperation and in great desperation, and little faith in ourselves, we have committed certain serious crimes against the people of this nation. Because of our fear and because we believed in this myth of the powerless state, and we reacted by rolling over to die, we committed some serious crimes. Among the most horrendous of these crimes, is the madness of excessive borrowing and the commitment to forever borrowing, this is the reaction now, and the response of this myth of the powerless government and powerless state. We went into excessive borrowing and committed this nation to forever repaying.

Secondly, you will know this well, the infamous divestment schemes of 1993 and 1994 where we almost gave away all of the precious national assets. *The Review of the Economy 1995 Divestment Programme* shows proceeds of TT \$492.4 million for 1993 and TT \$589.3 million for 1994. I just want to remind the present Government that the Twin Towers are not up for sale, if they had been up for sale last year, maybe they would have been gone too.

Why should I not speak a word of disappointment when one considers, and this is only an example, that the Trinidad and Tobago Methanol Company was sold for peanuts to Ferrostaal, and in less than two years, the new owners recorded a massive profit of over US \$600 million? Talk about accountability and reporting! How we wished that someone would have talked us out of that. How much really stayed in the country and how much we benefited from that?

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Back to the divestment figures which are so very small. What happened to those divestment proceeds? Look at the books again. The proceeds from the sale of these assets went into paying debts, not because we wanted to be free from debts. Read the record.

“We sold those to raise money to pay debts in order that our credit rating in this country will be better on the international market to qualify us for more loans.”

And that is important. We wanted to qualify ourselves and to give the world the impression that things are good here and therefore, our credit rating will put us in the good books of the financial institutions to give us more, and we went for it.

I want to advise the new Government that we are misleading ourselves in thinking that we are gradually freeing ourselves from the IMF when we continue to source loans from other financial and bond markets. We made an error already. Did we not borrow in 1992 on the Eurobond market? I sat down here and I heard the Minister of Finance and others expound on this and defend this move. “We are not going to the IMF again. We are free from the IMF. We are in the good books of a new friend, the Eurobond market.” And there was this kind of boast, how we were able to source US \$100 million cash from the Eurobond market. Those of us who have been here, and the nation knows about it—read it in the *Hansard*. It was a boast.

Did I hear from the new Minister of Finance that because of that, come 1997 we are paying \$900 million to repay this five-year loan? This is what I mean by an economic crime against the people of this country. We have to pay it, because somebody bound a heavy burden and we must carry it, and our sons and daughters must carry it. I say this because I think the new Government must be very careful not to adopt policies to impress the electorate. Be very honest and sincere, get us out of this even if the electorate gets you out of power. Do not bind heavy burdens for us to carry. Do not do it! This is what is happening now. I am not talking about the 1992–1995 government, I am talking about governments down the line.

I want to share a warning with the Government concerning this reference about the \$100 million Eurobond loan. One analyst says:

“A new, more insidious enemy of democratic Governments has appeared on the scene who many claim has already accumulated too much power while no one was looking and that is the electronic army of currency and bond traders.”

New Government—the massive, powerful, global capital market speaks to us like the spider to the fly, “Come into my parlour”. It is a kind of universal scheme. It is an international scheme, not by the IMF or the World Bank again, but the new bond markets of the world, and we had fallen for that in 1992.

11.10 a.m.

Mr. President, Parliament was informed that between 1992 and 1994, Government borrowed US \$747.13 million on the external market and more than TT \$1.2 billion on the local market. Total borrowing on the external market: The sum of \$5.5 billion was borrowed in three years and that loan came and met another \$5.5 million approximately. I wonder about that kind of economic policy.

To the new Government: We cannot continue to do as we have been doing, as reflected in the 1996 budget, to pay 33 per cent of our revenue in debt servicing. Government’s spending on Government’s projects must be prioritized carefully. We have to deal with mismanagement of funds, waste and excessive cost overruns. It is very important.

Our policy has been to crawl to foreign financial institutions and therefore be enslaved by them. No wonder public servants have been in the waiting line for so long. It is good that \$90 million can be donated to a worthy cause. Certainly, it is not enough, but I contend that if small instalments were given in the last few budgets, the domestic burden would have been smaller today and our workers would have been better off. I think all the workers who are displeased about the \$90 million contribution or donation, it is a pittance but none was given last year and the year before—very little I should say. We should have been tackling it. I like this and I hope that in the next budget something like this will be done. It is very important. This is how one deals with one’s debt. This is how it is done at home. This is how families must live.

Mr. President, let me change course. I think one of the weightiest utterances of the budget speech which demands attention—I am very glad my colleague, Sen. Daly, made reference to this. In reading the budget this is the first line that I circled, and this is why I thought I would repeat, possibly, some of the things

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Sen. Daly said. This is the line that I circled on page 1 of the *Budget Speech*. The hon. Minister of Finance says:

“There are signed contracts to which the new government is committed, whether it likes them or not. There are projects in the pipeline - some good, some bad, some mad.”

That could be the chorus of this debate: “some good, some bad, some mad”; I have not found a tune for it.

The average taxpayer in this country has carried for too long, fear of governments committing the nation to bad and mad projects. You see, there is too much secrecy in government. Things have been done, which do not even come to the Parliament. This is why I talk about the benevolent despot and the benevolent ruler. This is what is happening.

Cabinets have run this country like in the colonial days and in the days of proprietary government and the old representative system with the governor and a group of hand-picked persons running the show. We continue with the same thing. It is not the governor and a selected few, but it is the Prime Minister and a selected few. That is the kind of Cabinet system that rules out other people contributing and bringing ideas in order that we would find solutions. We have realized now that not all the ideas of the governor and his selected executive were good for the colony. We are finding the same thing today.

I would have liked to see in the budget, as Sen. Daly and members of the Opposition Bench pointed out, some of those inherited bad and mad projects in the pipeline. How does Government plan to treat with them? Will the Government muster the boldness to put a stop to bad and mad projects if it has recognized them? Can madness be stopped and disaster be averted? Why should the nation be saddled with bad and mad contracts? The hon. Minister of Finance is saying that he, too, cannot do anything about them. I have a problem with that. I think a million and more people in this country will have a problem with that. Does this indicate, somehow or the other, that we need a little more consensus in searching for answers?

Mr. President, I just want to mention one or two of these projects that I am concerned about. I enquire about the amount of money lost in site preparation and other infrastructural work for the heavy gas-based industrial estate, the LNG plant, at La Brea. I know the Minister of Finance made reference to the LNG plant. Was it over \$256 million as reported repeatedly in the press? Never told to this

Parliament, anyhow! Or, was it \$104 million with \$68.7 million actually paid? Was there a multimillion dollar error? How much has the state lost through its National Gas Company which piloted the project, of course using taxpayers' funds? We are talking about bad and mad projects. How far are we going with that one and how much have we lost?

There is another one I am concerned about. What of the WASA contract involving Severn Trent? How good, how bad, how mad? Is this one in the pipeline? A government five days prior to election will sign such an important contract including a partner who will provide a \$450 million loan by this consortium to WASA! Why will a government ignore unions, Opposition and concerned citizens and hastily sign such a contract? Are you telling me and this country, today, that you cannot do anything about it? This is immoral; it is sinful.

Friday's *Guardian* of January 19, 1996 says:

“Although Severn Trent/Wimpey has not yet assumed the management of the Water and Sewerage Authority (WASA), the consortium has submitted bills totalling more than \$7 million.”

And you will tell me that we are saddled with that kind of contract and that kind of evil!

“Although Severn Trent/Wimpey has not yet assumed the management of the Water and Sewerage Authority (WASA), the consortium has submitted bills totalling more than \$7 million.”

To the taxpayers and consumers—this is what it amounts to.

The hon. Minister of Public Utilities responds—maybe it is his as well as the Government's response; I am worried about that:

“They are being paid in accordance with the agreement, ...”

Someone else said there is a valid contract. More contract madness to follow. We have been told that the contract fee of \$36 million will come from WASA's revenues—thirsty people who have been paying their water rates.

I hope that the consumer will not foot the bill in the alleged \$6 million car rental racket involving WASA's bosses.

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11.20 a.m.

Please do not tell me from the business world, all of you who are experts in that world, that the nation is committed—body, soul and spirit—to agreements and contracts spawned and signed in the backroom of economic miscalculation. Oh how precious freedom is! And you tell me that we cannot do anything about it?

Mr. President, I know my time is running out. It does not always happen, Sen. Daly. I want to make a comment on another budgetary provision. In its boldness, the 1996 budget is rude and forward; it is reckless in that measure where I quote from the budget speech:

“ Government proposes to amend the Shop Act to permit the sale of liquor at any time from Monday to Sunday, including public holidays.”

And the next one, quoting from the budget, again that Government will “...eliminate the Alcoholic Beverage Tax on imported alcohol and spirits.”

Mr. President, I understand that this may even reduce the cost of certain imported alcohol drinks. Someone told me yesterday whiskey has now been reduced by \$20 a bottle, because of that. \$20.00! I think that this is certainly an irresponsible and ill-advised provision in the budget. [*Desk thumping*] I will not be theological, lest you think that I am biased. So today I want to be social in this matter, so that the hon. Minister will understand me. I am interested in the social consequences of this provision. The conspiracy began, you see Mr. President, in December 1995 between the hon. Minister of Trade and the hon. Minister of Finance, giving permission for the sale of alcohol on Christmas Eve and Old Year’s Day, both being Sundays.

Mr. President, remember this. Notwithstanding the increase in business for supermarket owners and bars, I believe there are negative consequences for the sale of liquor at any time, inclusive of religious holidays. Why should bars and pubs—Sen. Jagmohan, I agree with you—be allowed to ply their trade on Divali, or Eid, or Christmas Day, on Spiritual Baptists (Shourters) Liberation Day, or Shango Day? Do you think that a Trinidadian under the influence of alcohol in the bar next door will have too much regard for his neighbour? He is certainly going to affect the religious sensitivity of his neighbour, and he does not intend to do it, but the Government allowed the bar to be open on Divali day and Eid.

The hon. Minister of Finance and his colleagues must surely be aware of the fate of the *Smokey and Bunty* gang who once sat in their benches. [Laughter] Mr. President, I wish to bring to the Government's notice that in one of our counties in Trinidad and Tobago about 5,000 patients are registered at the community clinics where persons are treated for alcohol and drug addiction. It is pointed out that alcohol is the number one substance abuse problem in this country. More than 40 per cent of all those persons have been treated as having alcohol problems. About 42 per cent of all persons admitted to St. Ann's Mental Hospital are treated for alcohol and drug related problems. I think the Government should know this.

We are dealing with cocaine and marijuana, making a big fuss. I saw a helicopter this morning flying overhead with two massive propellers. We are looking for the guys with the "joint" and the people with the gardens, but we are opening shops. We are not dealing with the problem that is more serious, more widespread, as a social problem in Trinidad, more serious than cocaine and marijuana—and the American Government should know that. It is alcoholism. They have sent all their sophisticated surveillance equipment to help us with that. We must tell them to help us with the alcohol problem.

Mr. President, a survey was done in 1991 involving 2,000 secondary school students in Forms IV and V with children between the ages of 16 and 18 years of age; 84 per cent were alcohol users. Mr. President, check the Accident and Emergency Wards and the Orthopaedic Wards at the Port of Spain General Hospital. A significant number of the cases there are alcohol related cases. A recent survey showed 49 per cent of all patients admitted to medical wards at the Port of Spain Hospital were treated for alcohol-related problems. Do you know who foots the bill? Government! Taxpayers! The cost of rehabilitation, now. You drunken them and then you want to save them and patch up their wounds.

Mr. President, drunkenness is a causative factor in more than 50 per cent of the cases of domestic violence—and that is important—particularly, wife battering. Alcoholism steps in! It is estimated, Sir, that in the sexual abuse of children, approximately 49 per cent of all the offenders were drinking at the time of the abuse. Mr. President, if this new provision seeks to increase the availability of liquor, I ask the question, where is Government legislation to safeguard the abuse? They do not have that set in place. Where is the legislation, and how do you enforce and safeguard against abuses? You know fully well people who have liquor licences sell to minors. You know parents send their children to purchase

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liquor. What about the advertisement, now, "Join the tribe!"? Whom do you want to join the tribe in the drink that is stronger than usual? Children! "Join the tribe!". Do you know what this proposal is doing? Yes, man, we are moving all impediments—join the tribe, young people! I think it is time we have the breathalyser. Do you know how many times, Mr. President, when going down south you see fellows under the flyover with two cars, and their trunks are open? They are drinking! They did not stop there because of a flat! They are drinking in public, man. They have joined the tribe a long time ago. The breathalyser should be in the hands of the police patrol passing at the same time.

Mr. President, I want to be consistent and remind this Government that drinking alcohol on the streets of Trinidad and Tobago, openly, should be outlawed at any time. And that includes Carnival! You have to be consistent. This is nonsense for some people. But then you cannot have double standards and I want to go further to tell the Government that alcoholic drinks should not be served at state functions. It is very significant. Let your ambassadors and everybody come to state functions. You do not have to serve alcohol there. If you want to save the young people of this country and the future parliamentarians, teachers and so forth of this country, we as leaders cannot do that. The photographs in the newspapers where parliamentarians are at cocktail parties with champagne glasses—his is madness; we have to be a sick people! No wonder we have so many problems. This measure has to be re-examined. I am serious about that.

11.30 a.m.

I would like to speak on tourism for a moment. There is so much in the budget about tourism. The tourism sector was given prominence in the 1995 budget and again in the 1996 budget. The hon. Minister tells us in the budget about tourism. He said this ministry, among a few, has performed rather disappointingly. Look at your budget speech where it states 0.4 per cent of the GDP for tourism. The budgetary allocation for tourism in 1995 was \$31 million-plus; in 1996 it is \$54.2 million—to a ministry that has performed rather disappointingly. That is interesting. You gave them \$31 million and they performed disappointingly in 1995 and you give them \$54.2 million in 1996. I have a problem with that. In these two years we would have spent \$85 million, after investing approximately \$31 million in the first year.

I think we have to look at this kind of expenditure because this is a "rake and scrape" budget. If that sector does not move in 1996 with that kind of

expenditure, we have to seriously examine the tourism dream. Of some interest is a report given to the Parliament on October 4, 1995 by the then Minister of Finance, that a senior official of the Tourism and Industrial Development Corporation (TIDCO) receives an annual salary of US \$85,000 per year, plus housing allowance of \$12,000 per year. What does this amount to? That is about TT \$40,000 per month. That is a lot of money if you are raking and scraping. To give your official \$40,000 per month in an enterprise like this, that has performed rather disappointingly—getting \$31 million in 1995 and \$54.2 million in 1996—I think it is fair for us to ask, although I begrudge no one—how many more lucrative, padded salary positions are sustained by a sector like this? There might be more, who knows. No wonder you need \$54.2 million, because \$31 million is not enough.

If we are not tourist-friendly, how will we perform better than this 0.4 per cent contribution to the GDP? Crimes committed against tourists must be tourism's biggest disadvantage in this country. That recent crime in Tobago against an English family was reported in a London newspaper. That London newspaper is not sold only in London; I am sure it went to Germany and other parts of Europe. Do you remember the bird-watching group of Americans who went to Lopinot and they were robbed? We have not been a tourist-friendly people. No wonder the tourism sector has been performing rather disappointingly. But we are propping it up.

I want to mention this, though, about tourism. It comes right back to the budget statement, 1996. The Government plans to amend the Marriage Act to reduce the number of days for wedding notices to a minimum of three days. I am glad that Sen. St. Cyr saw it; Sen. Jagmohan saw it; Sen. Beckles made reference to it; maybe the other people are looking at it; I thought I would look at it also as I have good company. One of the hon. Senators said a few days ago that this proposal may treat marriage in a cavalier manner. I want to remind the hon. Minister that we already have in Trinidad and Tobago a provision here about the Attorney General's special licence and you can get that in less than three days. You could get that in hours. You do not need a measure like this to expose yourself to unnecessary criticism.

If that is a burden and there is a problem with that, if you give the Attorney General that kind of authority to issue a licence in hours—and that is there; we have been doing this as marriage officers for the longest while—why do you not give that same authority to the people in the district warden's offices? Because

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you already gave them the authority to take marriage notices and have them posted up for seven days. Give it to them everywhere.

I would also like to add this to the proposal which shows that it is not necessary to touch the legislation.

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. Rev. D. Teelucksingh: I know that I have much more time than that to my credit, over the last few years, but thank you very much.

Before I go on, let me just complete this bit of advice that I was about to give to the hon. Minister. Instead of tampering with our laws, why do we not allow couples who are interested in getting married in a hotel resort in Trinidad and Tobago, get their marriage licence out there and come down here and allow the priests to perform their marriage? This is globalization, you know. This is recognizing the marriage licence in North America. Let the couples walk with it—that is most important—and I would perform the marriage. It does not have to be somebody from the district registrar's office or the Attorney General. If you want to open the door, why not? There are things like the Vienna Convention; put this clause in it.

This point about the categories of tourism: eco-tourism, hotel tourism, events tourism—events is mentioned in the budget—cruise ship tourism, the budget is now going to add honeymoon tourism. I think this provision might be well intentioned—I want to give the benefit of the doubt to the people who influenced the Minister of Finance to include that in his speech—but I am afraid that it will send the wrong signals, and that is important.

Last year I saw references in the media to another kind of tourism. Governments in the Caribbean with tourist dependant economies are concerned about the ill effects of sex tourism. West Indian beaches and island resorts must not be marketed as havens for immorality and vice, for in the final analysis the social fabric will be shredded beyond repair. Last year we had problems with a Swiss tourist and there was talk about the dreaded deadly social disease, HIV. I

think that sex tourism with its social diseases and moral decay may yet be the greatest threat to West Indian tourism. Therefore, I suggest that it would be a good move for the Government to scrap the idea of promoting honeymoon tourism.

I have two other matters and I am definitely going to précis them. One is about crime, a very important concern. The hon. Minister is correct; the number one concern is crime. That demon of criminal activity continues here. I am concerned about all the big fuss being made concerning the 12-point university-originated plan to deal with crime and to ask this Government to be very careful not to get into the whirlpool of task forces, master plans, symposia, consultations, and so on. Do not make any fuss about a 12-point plan. You have a plan already there with about 1,000 points! There was a big headline about a 12-point plan as if we never had any kind of survey on crime and what to do with crime. I just got sick about the whole thing. I thought this was an overnight problem and the Government is now seeing it and some side in the university decided to study it. We have been studying this for years.

11.40 a.m.

Mr. President, I have been to all political meetings, and I thought that both sides would have had a master plan; whatever side formed the Government. Now the Government is saying that it wants a master plan. I am disappointed. I thought that plan was drafted and ready for implementation about 10 years ago while this Government was in waiting.

I want to get down to the very important matter of crime. I ask the question: Why, after a serious general election, with a country plagued by violence and escalating criminal activity, should our political leaders, who share parliamentary power 50:50, talk of violence whether real or imaginary? Why should the Prime Minister of this country tell the Parliament in the other place, during the debate, that he had a report showing that the PNM was planning to resort to violence and violent demonstrations to bring down the Government? Will we ever know what prompted such a serious accusation? Whether it is true or hypothetical, I am worried—Sen. Daly made mention of it, and he is correct—and 1.3 million people are also concerned.

One social analyst, Mr. Raoul Pantin wisely advised in the *Sunday Express* of January 21, 1996—put it in the *Hansard* and get copies for everybody on the three sides—that our leaders ought to know how

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"...dangerous any suggestion of violence in our politics can be. We have the living proof, and scars, of madmen prepared to use violence to have their own way.

...every sane citizen of this country should make it clear to all politicians—we want no violence; we don't even want talk of violence; we want progress and development so we can all get a chance to grow in peace."

That is important.

Am I dreaming, or could there be a political truce between our two major political parties, their members and the two leaders in the Parliament so that the needs of this population could be tackled by the collective wisdom of the Parliament rather than an obscene struggle for power? And this is what I am seeing. The real onus of power is really the people. God gave this power to the people and the people just entrusted this power to us.

Mr. President, I just want to make my last comment. I had to get in some time on this because everybody is kicking this football which has to do with the National Library Complex. The *Hansard* would show that in these three days of budgetary analysis references to the proposed National Library Complex came in fast and furious. Let us look at the background.

We were informed that the capital cost of the structure is \$70 million, and about \$7 or \$10 million was already spent—and heaven knows about the cost overruns; nobody is talking about that. This is a country of cost overruns. Look at the Maximum Security Prison; the deep water harbour; the Hall of Justice, and one could think of more. So, there must be cost overruns; just a couple million dollars more has to be added to this.

The hon. Minister of Works and Transport is claiming that another \$125 million would be required to make it operational. We are told that this Government—and we know this—is faced with other very important fiscal demands and would defer this project.

Mr. President, media reviews in the last few weeks remind us repeatedly that for the past 30 years there were calls for a library in Port of Spain. I read this. The nation is hearing this and the Government has been bombarded with this. For 30 years we have been calling for a library and look what the Government is doing now.

When we made billions of dollars—I would check the *Hansard* for the 30 years, if I have the time—in the oil boom and subsequent years, did this Parliament spend so much time talking about the library next door when there was money to burn? How much prominence was given to the library 30 years ago that we can now say it was promised? We plugged for it and look what is being done now. Where did the money go? Some went to Toronto, Panama, Mount Hope and Iscott got \$1 million dollars per day. That is where the money went. Check the Benz company in Germany; the Volvo company in Sweden; and the Honda company in Japan. That is where the money went, and now everybody is telling the Government, "We want we library, you know". Pressure on the Government.

What about crime? Everybody said that is the number one problem—we'll take the money and deal with it. This is most important. The hungry must be fed. That is first. I like that. I agree with the Government. The unhoused and homeless must be sheltered. That is good. We have to rake and scrape.

My own view is that Government's request to defer the National Library Complex is reasonable, and I support it. I do not want to be misunderstood. A library is a blessing, I believe. I support the building of libraries. I know the value of libraries. I ask: Before those plans for a grandiose monument on St. Vincent Street were formulated, why was one of those magnificent seven buildings around the Savannah not converted, instead of congesting this place and making it a more confused concrete jungle? What has happened to Whitehall anyhow? Let me be forthright. I am very serious about this.

I would rather see the \$70 million plus the \$125 million—and I know I have much support out there; one million and more people would be agreeing with me—that would be used to build this library, used to build library facilities in Chaguanas, Macoya, Arima, Point Fortin, Sangre Grande, Rio Claro, Siparia, Scarborough and Port of Spain. This is how money has to be spent. Then the Government could stay until 2015, but if it does different from that it would be out.

Mr. President, without reservation, I support any plans to improve the nation's library service, particularly, in its decentralization thrust to take the books to the children and adults who may never find themselves on St. Vincent Street. If another party gets into power, I would say the same thing to them.

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It is better to have in this country 20 libraries than a monolith on St. Vincent Street. Strange enough, whose grand idea was it that a national library and cultural centre would best serve Trinidad on St. Vincent Street when the city is so crowded?

Mr. President: Senator, you have two minutes more.

Sen. Rev. D. Teelucksingh: Thank you very much, Mr. President, I am certainly going to finish in two minutes.

Why not San Fernando? Why not a central position for the national library so that people in rural Longdenville and Tabaquite could go to your national library? Why Port of Spain? This is why certain Cabinet decisions where exorbitant amounts of money would be spent in development projects should not be Cabinet's secret. It has been Cabinet's secret for too long.

Mr. President, I would like the new Government to go and discuss these things in caucus and in Cabinet; share it with the Parliament and get its approval. Share it with the people. They have talked about open Government for years. For years I have been hearing you say that. This is open Government. It is better Government than the Cabinet-types, secretive governments that we have inherited from the days of the propriety system of governments and the old representative system and crown colony system. It was a system where a few people made plans and governed the rest. You have to change that. We need a new direction in Trinidad and Tobago's politics. That is very important.

Mr. President, I thank you.

11.50 a.m.

The Minister of Education (Hon. Dr. Adesh Nanan): Mr. President, as I rise to make my contribution to the debate on the 1996 budget, permit me to offer my congratulations on your appointment. I take this opportunity to thank my Cabinet colleague, the hon. Minister of Finance, for the allocation to the Ministry of Education.

The Ministry of Education, mindful of its crucial role in the provision of quality education to the citizens of Trinidad and Tobago, remains committed to developing a highly skilled and a highly motivated resource-base. This major concern of the Government is to achieve a competitive edge so essential for survival and success in the global market place. This commitment is to act as the impetus to the ministry in the development of its sectoral policy, a policy which

has as its underpinnings the provision of quality services which are in compliance with contemporary needs. The focus and provision of quality education permeates as well the development and implementations of programmes and projects at several levels of the education system, from the pre-primary through to the primary, post-primary, secondary, tertiary, special educational and inclusive of the administrative level which services the education system.

Mr. President, in the time allowed, I would like to address the following:

1. Emphasizing independent learners.
2. Restructuring the system.
3. Access issues.
4. Content issues.
5. Concerns.
6. Incentives for excellence.
7. World Bank required project as a catalyst emphasizing independent learners.

All human beings have a basic right to the full development of their minds and of their capacity for learning. There is a growing realization that the development of individuals and of communities depend on education and in the quality of teaching and learning. The needs of the individual and the needs of society score less in the achievement of these goals, namely; to develop life long autonomy; to have students who value learning as an empowering activity; to produce students who want to learn independently; to nurture students who have self-determination, self-direction and self-respect and, to develop students who can effectively participate in society to meet the challenge of rapid social change.

For the Ministry of Education the challenge is: how do we foster the learning that would achieve these goals? Our focus of attention will be intensified by what is taking place in the classrooms in all our institutions: the formal sector; the early childhood care and education centres, primary schools, special schools, post-primary centres, secondary schools, particularly from secondary schools and the double shift system; teacher training colleges, technical institutes, youth camps and the non-formal sector; YTEPP, adult extension classes and related agencies.

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A close examination of any learning outcome will lead us to ask: Are they desirable or undesirable? In so doing, feasible policies will emerge to maximize the best, the noblest and the highest performance of our students. At the same time, some policies will be necessary to arrest any negative outcome and reform our students, through self-determination, self-direction and self-respect. Priority will be given to three major activities. Restructuring the system. Changes at the central administration level should be given top priority in the restructuring effort. In order to increase participatory decision-making in the system, a process of decentralization based on eight divisions each with advisory divisional boards with a membership reflecting community interest should be pursued. Central to the functioning of the entire system will be a reorganized information system adequately staffed and suitably networked to ensure equitable distribution of services across and within the educational divisions and institutions.

With regard to the organization of central administration the management by object approach will be utilized fully. The Ministry of Education will become unified in purpose in spite of special responsibilities by various sections. All heads of divisions must demonstrate greater accountability for their special responsibility, but keeping in mind that there is need for unity of purpose amidst diversity of responsibility.

In 1996 special attention will be given to the following: The role of the planning division in its need for a research component; the decentralization of the educational facility management unit; the integrated curriculum with academic and technical vocational technocrats in one place and with a purpose.

Senior schools curriculum as a seamless coat: the critical role of school supervisors, the eyes and ears of the ministry as preservers and promoters of quality education in eight educational districts. The revitalized use of the Rudranath Capildeo Learning Resource Centre as a library for teachers, a library of school libraries, a production centre for varied types of instruction materials; print, radio, television; a centre for teachers' renewal outside of normal teaching time; a centre for open learning using a distance education mode; a centre for conferences; a centre with an auditorium to give expression to the aesthetics of thought of both primary and secondary schools; the placement of students at 11-plus, 14-plus and 'A' levels. Accountability, transparency and performance will become the watchwords of all who serve the 300,000 more students in our schools.

The process of decentralization will be facilitated by the establishment of new offices in at least four divisions. St. George East, and Tobago have acceptable offices. Attention will be directed to St. Patrick, Caroni, North Eastern Division, South Eastern Division. When the St. Patrick's office is located in St. Patrick, Victoria will need moderate refurbishment to become comfortable to serve with excellence.

12.00 noon

In addition to offices, advisory divisional boards will be established. Soon the school supervision sector will present ideas and suggestions for the eight divisional boards keeping in mind the partners in education such as the religious denominations, business community, labour organizations, parent/teacher organizations and non-governmental agencies. Quality education is on the lips of everyone. Therefore, fullest opportunity for participation in achieving this laudable goal ought to be provided to the many and varied community interests.

The school library or supply of learning materials ought to become the hub of the curriculum. The integration of class teaching with school library resources is essential if we are to produce more independent learners. Time is not on our side and the delivery of the curriculum should be reformed to teaching our children to think and learn. I have been advised that teachers are beginning to take a closer look at those essential teaching skills which make for successful and effective classroom practice. Every encouragement will be given to deepen, widen and accelerate this process so that more permanent learning will be the desirable outcome in the near future. In 1996 we celebrate with the rest of the world the anniversary of the centenary of an illustrious educator of the 20th Century, Jean Piaget. Is not his contribution to education both timely and timeless in our quest to foster permanence in learning?

I now turn to access issues. The issue of access to quality education at all levels is crucial and lies at the heart of human resource development of Trinidad and Tobago. With respect to early childhood care, our aim is to move towards that and education for all. At present out of the 60,000 three to four-year-olds in the country approximately 5,000 or 8.5 per cent attend government assisted early childhood care and education programmes. The short and medium term goal is to upgrade the quality and double the present public provision within the next five years, as well as to encourage private and religious boards and non-governmental organizations to provide additional places at the pre-primary level with the Ministry of Education in a supervisory capacity.

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While Trinidad and Tobago achieved universal primary education in the 1950s, at present a number of children find difficulty in gaining places at schools because of new housing developments and estates and shifts in population. The immediate goal is to construct schools in areas where they are needed so as to maintain universal primary education as well as to reconstruct outmoded and dilapidated ones, as one of the measures to achieve quality education. New schools to be built are Beetham Government and Maloney East Government; replacement schools are Fifth Company Baptist and Valencia Government.

Other measures to be undertaken in pursuit of quality education are continuous training and upgrading of teachers. The Ministry of Education is also conscious of the fact that issues relating to teacher punctuality and regularity as well as increased focus on aesthetic subjects are significant inputs to the achievement of quality education.

With regard to special education in the interest of equity and recognizing that every citizen has a role to play in the economic and social development of the country, the Ministry of Education intends to pursue the development of programmes for the mentally and physically challenged.

In respect of post primary classes and centres, for far too long every year about 5,000 common entrance candidates without a second chance at the Common Entrance Examination do not gain places at public secondary schools. The Government intends to expand and upgrade the post primary programme with a view to ensuring that each pupil leaving these centres are functionally literate and have been exposed to world of work programmes.

A major issue at the secondary level is the provision of places to meet the demands of all pupils graduating from the primary level. In addition to this is the question of the shift system. The former issue is to be addressed in the short term by the building of two new secondary schools, one at Cunupia and the other at Mason Hall, Tobago. Strategies for de-shifting are being examined.

In the medium term the Government proposes to deal with the provision of adequate secondary school places by way of a loan from the International Bank of Reconstruction and Development. Concerning advanced level classes, over the years a number of qualifying students for the 'A' level programme have been finding difficulty in gaining access to schools. The Government is at present developing strategies to deal with this issue. One of the strategies is to market the

technical/vocational aspect of education so that there would not be a problem in terms of a foundation for the 'A' level programme.

The Government recognizes the critical role appropriate technical/vocational programmes have to play in the development of industry, commerce, its role in assisting in employment and the country as a whole. Within a short period the Government intends to undertake in-depth studies in the provision of technical/vocational education especially with a view to focusing on efficiency and appropriate responses to the labour market, engaging mostly in market-driven programmes. These studies will include the operation of the youth development and apprenticeship centres and private schools.

The principal strategy to be employed is the deepening and widening of the role of denominational boards, non-religious boards and non-governmental agencies with regard to content issues such as values, moral education, character education, role of parents, agriculture in the curriculum, health education, computers, environment, aesthetics and technology.

What is worth knowing? The answer to this type of question lies in the type of person we envisage as a school-leaver. Is the school-leaver a civil, courteous and cultured person? Every effort would be made in co-operation with parent organizations, interreligious organizations, denominational boards, teachers' organizations, mass media, non-governmental organizations and the national community to play a positive role to ensure that the finest example is provided. Self-discipline and self-respect for students will be the focus of the principal and teaching staff through school assemblies, form periods and the informal classes in the school. There is an appeal today to make character education a *sine qua non* in the schools' curriculum.

12.10 p.m.

Covert and overt curricula should minister to this most important outcome of education. Together with the Minister of Agriculture, Land and Marine Resources, the Chamber of Commerce, the Republic Bank and other agencies, we will strive to extend the concept of agriculture in the realm of learning experiences for many more students. The leadership for this activity is critical. Every encouragement will be given to have the curriculum officers and facilitators in the schools assisting and guiding the teachers in the activities that the school environment can facilitate.

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Our school feeding programme, our physical education programme for all students and our humanization programme will be monitored closely so that *mens sana in corpore sano*—a healthy mind in a healthy body—would become a way of life. The Director of Curriculum will be charged with the responsibility to co-ordinate these activities, monitor the progress and take remedial action.

In order that computer literacy and education take deep roots in our education system, we will encourage all teachers to become computer literate. Centres will be established in secondary schools, in technical institutes and teachers' colleges to provide the opportunity for teachers to use their non-teaching time on evenings, Saturdays, Sundays and holidays, to upgrade themselves at a subsidized cost. This programme should begin during the Easter vacation and continue throughout the year. The responsibility will be on the teacher to upgrade his or her skills.

The environment is a major topic in several subject areas. It is already infused in many programmes, but the content is dynamic and monthly new materials and research findings are made known. Our students must remain ever vigilant and the school and community ought to intensify its efforts as we learn, care, preserve and develop our natural and man-made environments. Above all, we should begin with our schools becoming a more stimulating learning environment.

Strong arts, strong schools. The aesthetics time has come. Our students have a right to have learning experiences in the visual and performing arts at both primary and secondary schools. In our primary schools, a semi-specialist approach is highly recommended while at the secondary level, there will be specialist teachers. Special attention will be given to drama, and provisions for teachers in that subject area will be made. In the very near future a ways and means committee will be established to nurture drama at both primary and secondary schools.

Technology in our curriculum has to be. The Director of Curriculum is finalizing plans for its introduction on a wider scale. We welcome the publication, *Toys and Games*, produced by UNESCO and our ministry as an example of science and technology.

I now turn to the concerns—textbooks, school feeding, transportation, students' discipline, deportment and dedication to study. The schools' response is motivation of teachers and students. Mr. President, among the major concerns that demand our urgent attention is the question of school textbooks, school feeding,

transportation, students' discipline, the schools' response to the crime situation, and motivation.

School textbooks. We hold the view that they must be available and affordable, but they must never be the only source of information for the student. We recommend very highly, bulk purchasing, and this frequent changing of textbooks must cease. We intend also to encourage local authorship, publication and printing.

The proposed World Bank project envisages technical assistance and we anticipate that local production for primary school needs would be an achievable goal before the end of this decade. Instructional materials and library resources, print and electronics ought to be adequately available to the teacher so that students will be able to enrich their learning and reduce their dependency on textbooks. Teachers should become better endowed with essential teaching skills. There is more to teaching than an abuse of testing and drilling for examination purposes.

The School Feeding Programme will be renamed the School Nutrition Programme. In addition to the value of the nutrients in the daily diet, care will be taken to develop lessons in hygiene and social etiquette. The lessons of a good diet, exercise and physical well-being must be lived by all our primary school children. They are our valuable assets and we must ensure the good health so necessary for their mental development.

There will be an increase in the number of meals served at the early childhood care centres, some primary schools, and many secondary schools. These meals will continue to be a boost to our agriculture sector. However, special care will be taken to see that we receive our money's worth with reference to utilization of local nutrients.

Transportation: The principals of the schools must evaluate the performance of the existing plans and any review must take into consideration their inputs as well as that of the Parent Teachers' Association. The private enterprise maxi system is working reasonably well, I am informed, but there is always room for improvement. We will remain vigilant and responsive to legitimate and feasible requests.

I now turn to students' discipline. Discipline is a chosen national watchword and must become an integral part of our way of life. The challenge is to have more of our students reach the stage of self-discipline. Today, I make a call to all

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schools to have their students clean every classroom and other walls of the graffiti and absurdities. A no-nonsense approach is required immediately. There are limits to tolerance and we are now intolerant of the obscenities seen in some schools.

Orderly and clean environments are necessary toward the achievement of self-discipline. Everyone who works in an institution of learning has a responsibility to contribute to codes of conduct that are acceptable for civilized living. Planned and unplanned visits to schools will be frequent and I urge the Non-Governmental Organizations and community interest groups to respond favourably to the principals' requests in creating an environment in the school where learning and good character will be constantly nourished.

The schools' response to crime. The aphorism, "Prevention is better than cure", is the guiding principle for the schools' contribution. The priority which will be given to character education should bring with it improvements in deportment in relationships with one another, especially, in terms of the quality of language, using ordinary discourse and an avoidance of the "do them back" mentality. The school is not isolated from the rest of the society and areas of improvement in adult life will provide the exemplary model for youth. Where there are misdemeanours that are school based, the guidance officers will play a more visible role to work with the teachers, parents and the students to find the right path for those in need of correction. Early detection and early curative action is highly recommended. Let us remember, as a twig is bent the tree is inclined.

12.20 p.m.

At the secondary level it will become necessary for members of the police service to reassure the students that the police is there to protect and serve. Teachers can use the case-study approach to examine questions and recommend possible actions. The youth must be led to choose the right path knowing the benefits and avoiding the alternative ways littered with negative consequences.

Let us teach for wise decision-making. It is highly recommended that in our large secondary schools, our principals, teachers, guidance officers and senior ancillary staff should use opportunities for incidental teaching in the corridors, playgrounds and cafeteria area, while our community friends and drivers make their contribution on the roadways and buses, so that moral rectitude will prevail.

I conclude this section on consensus with an appeal for greater motivation towards the benefits of learning in particular, and education in general. The

society will attain the cutting edge of development as our people, the young and not so young, become motivated to achieve higher standards in the areas of character development, academics and technical/vocational skills.

Imbued in all of us who work in the Ministry of Education, should be an inner drive to make better the lives of our young. Most of our educators, be they technocrats or teachers, are themselves parents or guardians, therefore they love children. The golden rule is particularly relevant. How I wish we can apply it in our lives: “Do unto others as you would have them do unto you.”

Therefore, we ought to be motivated to put our greatest efforts at all times to achieve the best, the noblest and the wisest for all our students in every school. To our students, the exhortation of the Mighty Sparrow, “children, go to school” is a timeless message. You will be empowered in your life through learning. Taking advantage of the educational opportunities has been a light for many to escape the vicious circle of poverty and more, to contribute in a value-add mode in the development of Trinidad and Tobago.

Now is the time to demonstrate positive attitudes to work. The school has the potential to be a learning hive of activity, where the people, the kingdom, know the hum of industry. The poet, Ralph Waldo Emerson wrote:

“Not gold, but only man can make
 A people great and strong;
 Men who, for truth and honour’s sake
 Stand fast and suffer long.
 Brave men who work while others sleep,
 Who dare while others fly -
 They build a nation’s pillars deep
 And lift them to the sky.”

I now turn to incentives for excellence. An integral and important part of any educational thrust is the commitment and the application of our school population towards worthwhile and desirable study habits at every stage in our education. Since learning is cumulative, every stage which the learner passes through is as important as the next stage, the one that is to come. As such, we view schooling and the educational development of our students as our greatest hope for the

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future. We recognize that all our children are capable of learning and that many of them are endowed with the capacity to perform with a high level of excellence. We recognize, also, that excellent performances in our school system depend, to a large extent, on motivational factors, be they intrinsic or extrinsic.

In this regard, my Government and indeed my ministry propose the following incentives for our secondary school students in 1996. Approximately 500 students in our junior secondary schools will receive incentive awards, for example, books or vouchers. These awards will be based on the students' performances in the 14-plus examinations. *[Desk Thumping]*

As you are aware, most of our junior secondary schools operate double shifts while three are on single shifts. In the three single shift schools, Rio Claro, St. Madeleine and Scarborough Junior Secondary, the principal will nominate the top 10 students for this incentive. Further, in junior secondary schools with an enrolment of 1,440 students and categorized as "B type", the principal will nominate the top 15 students for this incentive.

In addition, junior secondary schools classified as "A type", that is with a school population of more than 1,440 students, the top 20 students will be eligible for this incentive. Statistically this represents 30 students from single shift junior secondary schools, 45 students from "B type" junior secondary schools and 380 students from "A type" junior secondary schools.

In 1996, a cash incentive will be given to the student who places first in Trinidad and Tobago in every subject offered at the CXC examinations, both at the basic and general proficiencies. At the composite and government secondary schools the top five students, who as a result of their performance gain entry to 'A' level classes or in our technical institutions, will also each receive a cash incentive. Principals of these schools will be required to identify these awardees. The cost of these incentives will be approximately \$300,000.

With respect to national scholarships my Government, and indeed, my ministry will take a fresh look at these awards with a view to increasing the number of scholarships in new areas of study, *[Desk thumping]* as well as for those students who do extremely well, but not enough to gain a scholarship. Announcement on this will—

Sen. Prof. Spence: May I ask the hon. Minister whether he will ensure that these awardees attend the University of the West Indies and not spend taxpayers' money on foreign exchange by sending them to universities abroad?

Hon. A. Nanan: Mr. President, an announcement on this will be made in the near future.

12.30 p.m.

Finally, and with regard to incentives for excellence, a comprehensive review of national awards for excellence will be conducted in good time for the beginning of the academic year, September 1996.

Permit me to turn to some assessment issues in our education system. We are all aware that our students both at primary and secondary levels, are assessed by the educational practice commonly known as testing. We also recognize that the curriculum which is central to teaching and learning ought to be assessed in order to determine its efficiency and effectiveness and to evaluate, as well, whether the curriculum goals have been achieved. In this regard, especially at the primary school, it is necessary that promotion from one class to the next be guided by the norms of attainment and by periodic assessment which would ascertain the extent to which standards set are achieved. This will ensure that more meaningful and purposeful learning takes place. At primary level therefore, some of the assessment issues which need to be regularized and normalized will be addressed, for example, the restructuring of the Common Entrance Examination and the School Leaving Certificate.

At the secondary level there is need to address and assess the evaluation programme, the National Certificate for Secondary Education Part I. This is an experimental exercise, and there is need to take another look at it through dialogue and consultation before the introduction of the NCSE Part II. The implications of this dialogue and consultation may have some impact on the value and significance of CXC basic proficiency. Our secondary school students will continue to be examined by the Caribbean Examinations Council and those who are academically equipped will sit the CXC General Proficiency Examinations—those who are less equipped and so wish will sit the National Examinations Council Examinations. The Cambridge 'A' Level Examinations will continue to be part of the examining system for those students who are qualified and wish to satisfy the matriculation requirements of the university.

In this assessment issue scenario there is need for co-ordination and rationalization, particularly at the level of national examinations. Annually, a considerable sum of money leaves Trinidad and Tobago as fees for foreign examinations. It is, therefore, necessary that the Ministry of Education has a cadre of personnel who will address the rationalization process; a process based on the

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quality and delivery of programmes in the education system with a view to providing clarification, co-ordination and the maintenance of acceptable standards. This structure will receive due attention in the ensuing months.

As a Government, we are very much aware of the role that our education system has to perform if our citizens are to cope with the challenges of the next millenium. In this regard, my ministry is committed to the view that all our citizens should be provided with the opportunity to develop their potential to the fullest. We recognize that education ought to be, and indeed, must be the vehicle to transform, sustain and to improve our democratic way of life, and surely, to develop the human resource potential of our people. This is my intent and commitment and I intend to pursue with vigour, those aspects in education that are plausible and possible.

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

Motion made, That the hon. Minister's speaking time be extended by 15 minutes. [*Hon. W. Mark*]

Question put and agreed to.

Mr. President: The speaking time of the hon. Member has been extended by fifteen minutes but if the hon. Member can wrap up within five minutes he may continue, if not, we would like to break for lunch. What will it be?

Hon. A. Nanan: Mr. President, I will wrap up in five minutes.

The catalyst of the education system over the next few years—the fourth basic education programme: Mindful of the fact that firstly, the system will need a catalyst to propel it forward in keeping with Government's policy; secondly, that Government does not at present have the required capital to inject into the system for meaningful growth and development, this year the Government will sign a loan agreement with the World Bank to undertake a programme which will act as a catalyst for educational development and growth over the medium term.

The principal goals of the project are the enhancement of quality education as well as increased access at the pre-primary and secondary levels.

The specifics are to:

- Increase social readiness of pupils of pre-school age of low income and socially disadvantaged families;

- increase access to quality, early childhood care and education by pre-school age pupils of low income and socially disadvantaged families;
- enhance curriculum and curriculum delivery at the primary level;
- increase quality output to improve test scores at the primary level;
- maintain universal primary education by providing an additional 20,000 places at the primary level;
- increase access to the secondary level for primary school graduates by providing an additional 3,200 places at the secondary level;
- improve the management, operation and organization of the Ministry of Education with a view to enhancing quality education;
- enhance school-based planning;
- increase parent and community participation in school programmes;
- integrate literacy and numeracy programmes into a well rounded socio-culturally sensitive curriculum;
- decentralize the Ministry of Education with a view to increasing community participation and school-based management, strengthening and enabling primary pupils to use simple words, phrases and sentences in Spanish.

In accordance with these objectives the project will engage in studies on the restructuring and decentralization of the operations of the Ministry of Education:

- Pilot projects in aesthetics and Spanish for the primary level;
- Teacher training workshops;
- Construction, reconstruction and remodelling of primary schools;
- The reform of testing and assessment at the primary level; and
- Building 15 new early childhood care and education centres as well as providing pre and inservice training for early childhood care education teachers.

In addition to this, the project being mindful of the importance of improved management as a tool for the effective delivery of goods, services and curriculum will, therefore, treat with teacher management skills, leadership and motivation. It is expected that the actions taken in this project will yield, at the end of the

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project cycle, an increased test score, a more effective and efficient school management and decrease in bad reputation and drop-out rates at the primary level.

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The major components and sub-components of the project are as follows:

- Increasing early childhood care and education;
- Improving educational quality;
- Upgrading the physical environment;
- Education management and institutional strengthening.

The implementation of these components will assist the Ministry of Education in meeting with some of the challenges now being posed to the system:

- The low quality of, and the limited access for disadvantaged groups to early childhood care and education;
- The low levels of educational achievement at the primary level;
- Ineffective monitoring of the education sector performance;
- Unsuitable physical conditions for teaching and;
- Selective transition—66 per cent of primary level graduating class to the secondary level based on the common entrance examination;
- Limited secondary school places for primary level graduates; and
- Over-centralized management of the education system.

These are the main deficiencies which my Government and my ministry will address.

In conclusion, Mr. President, it has been generally agreed that a country's most important asset is its human resource base. The education programme set in train for the medium term and of which the 1996 projects are but a part, seeks to strengthen the human resources of our nation. In developing an education programme to do this, my Government also seeks to develop a knowledgeable and skilled population capable of meeting world demands in trade, industry,

commerce and independent relations in a global market. All this implies a skilled work force adaptable to ever-changing demands of the work place, highly influenced by rapid changes brought about by science and technology.

Indeed, education and training systems must afford graduates the opportunity to achieve a competitive edge in quality and quantity of production of goods and services. This is the mission and vision of my Government as we move rapidly into the new millennium.

12.43 p.m.: *Sitting suspended.*

2.12 p.m.: *Sitting resumed.*

Sen. Dr. Eastlyn Mc Kenzie: Mr. President, let me begin by wishing you a very healthy and happy 1996, and may that smile never wear off. I do not know what is the intention of my Friends but I would like the hon. Minister of Finance to know from the outset that I would like to have some answers and clarification because I do not intend to stop the budget debate here. When I get back to Tobago I intend to go up and down the island to discuss this very important exercise, and so, I would hate to go looking as someone who came to Trinidad to have a good time.

May I inform you that the Tobagonian is a unique individual and Tobago is a very different and special place. We are a peculiar people and we are portrayed by our own types of beliefs, attitudes, heritage, tradition, and way of life.

I suggest that any new policy or measure that the hon. Minister has and would like to know how it works, he can pilot test it in Tobago. He will get a true indication of the types of impact and effects it will have.

Firstly, I turn to the credit union issue. Many Senators have spoken about the financial impact of the measure, I want to talk about the social impact. Tobagonians are people who respect authority, and when the middle income earner—the teacher, the public servant, the doctor, whoever he or she is—robs shoulders in an institution with, what we would consider, the ordinary folks, they come to the conclusion that they are in an institution that is good for them. In other words, they say: “If the priest could play, who is me?” They get their status of right and wrong by looking at the composition of the people who are part of the organization in which they are members.

I would like the hon. Minister to note that not only is the measure a financially hard step, but it is also a socially hard step. What is even worse, there

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has been the type of signal sent, that there is something wrong with the institution of which one is a member. If that is the message, we are telling the ordinary people that the middle income person will clear out soon because he or she has no incentive to remain in the institution, they may ask themselves: "If he is going to take his bundle and go, what am I waiting for? I am not going to wait until the institution collapses, I will take my money now and leave."

Mr. President, it is a reckless statement and I ask the hon. Minister to set people's minds and hearts at ease. I advise that, probably, in future when the types of statements that will impact negatively on the thoughts of people are to be made, they should be said in private to the Co-operative Division or whichever organization is responsible. Let us not say it to scare ordinary people that when the middle income people leave, they would be left to flounder.

Apart from that, the middle income earner invests in the credit union. The lower income person has a greater capital from which he can borrow to do things which are considered necessary. I do not know what the people in Trinidad do with their little loans from the credit union, but people in Tobago borrow \$100; \$500. They buy school books or repair their homes. They do things that people will consider very ordinary, but it is important to them.

Apart from that, it is a home-based organization. A man will be going to his garden and he drops in with his book and \$20 and leaves it with the credit union officer and he says, "Put that on my book for me until I get back", because he is not anonymous. In your society here people are anonymous. When one walks around Tobago, everybody knows one another, so it is a trusting thing. When he is sent to the bank, he does not even know where he is going. He has to change his clothes, whereas when he is going to the credit union, he goes with his bush clothes. He ties his cow, goat or whatever animal outside and carries his book inside. Let us not destroy what makes us a different and unique people.

I ask the hon. Minister, please, do not let them issue that type of threat to frighten Tobagonians that this institution which is theirs, will collapse. I would like you to give a note of assurance and I expect it when you speak, Sir.

Mr. President, I turn now to the Unit Trust. It is the same type of point. The Tobagonian is important when, as an ordinary citizen, he gets a letter marked "Unit Trust" from the post office. He shows everybody—you see who is writing me, I am important. He is getting the same type of letter from the Unit Trust as

the doctor is getting. He goes to the post office or the postman delivers it and he feels important. Do not rob him of that. Let him feel, for once in his life, even if it is in the savings field, that he is on par and can rub shoulders with the public servant and those who can afford to invest.

2.20 p.m.

Now, Mr. President, I come to the VAT issue. Let me congratulate and thank the hon. Minister for the reduction on the items he listed. Thank you very much, Sir, on behalf of the poor people. I would have really liked to see something like washing soap, but we cannot have everything at the same time. I am aware of that, so I am thankful for small mercies.

Mr. President, I am confused. Let me tell you why. The budget measure says that we are going to increase the threshold from \$100,000 to \$150,000. When this VAT issue came into being, I was one who, as an Education Extension Officer, took the VAT officers up and down the Island, educating the people on this new measure. After it was explained the cry was, by the small business persons in the villages, “When all of us will be buying from the wholesaler and paying VAT, I am not registered as a small person making less than \$120,000 (which is what it was at the time) to collect VAT on behalf of the Government”.

People say you pay VAT. The business people do not charge VAT, they collect VAT on behalf of the Government. So these people were paying the wholesaler for the things they were buying from him, but they could not collect VAT on the item when they sold it to the person, except the people who were above that threshold. What that meant was that when you sold your article for so much, plus VAT, you were getting back the VAT. The ordinary person under the threshold was selling the article with the VAT price hidden, not calling it VAT because he paid for VAT, but he was not getting that back. So his item became more expensive than big business and the people who were registered.

Now, Mr. President, the hon. Minister has carried the threshold further. What is even more confusing—and I want to assure Sen. London at this point that I will join with him, as he asked when he made his presentation, to monitor the businesses in Tobago to see whether we are getting the effect of the VAT. I will tell you why. After this measure was announced, Mr. President, people went to wholesale dealers to buy, and when they were charged the VAT they complained and said, “How could you charge me VAT? Today is Saturday and the budget went since when, and the Minister said, effective January 1, 1996”. This was the

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reply: “We pay VAT. You are not going to get this item VAT free, until my stock is finished” Totally wrong, Mr. President! Because that person would have collected a refund if his VAT collection was less than the VAT that he paid out. I know the matter inside out. So he was robbing people, but the rule says that you can collect VAT unless the VAT office de-registers you. So the man is right; and he is wrong. So what is he? You understand?

I would like the hon. Minister of Finance to clear this up because these people have not been de-registered. They have the authority to collect VAT, but yet, we are told, you do not have to pay, and they are quite right.

There is another ambiguity, Sir. Is there a meantime for people who have been registered to be de-registered? Are you going to say that whatever they paid in VAT, they cannot file their VAT forms to collect it, so they would not get a refund? You see, Mr. President, what I want to say is that this measure, although it is not clearly stated, is going to bring a lot of revenue in tax to the Government, because 90 per cent or more of the people who are going to be de-registered used to get a refund. They used to get a refund, Mr. President, so when the accountants are counting up, probably, they do not know this, but I would like the clarification of when these people are going to be de-registered; and whether there is a meantime within which they are supposed to comply.

To go further, Mr. President, when our people are ready to rob you, they really rob you with your eyes open. Listen. The hon. Minister knows macaroni and cheese, and he comes and says Cheddar cheese and macaroni; then he comes back and says Cheddar cheese by the pound. So how does the shopkeeper interpret this? He says only the cheese that they cut up and put in plastic bags, that is the one that is zero rated. He says, the one that is sliced, although it is marked Cheddar cheese, and the one that is pre-packaged, “Anchor” how many grams, that is Cheddar cheese too, but they tell you, “The man say by the pound”. Mr. President, ask the hon. Minister to clear it up, because there are people out there who are ready to rob you. And I am talking about legitimate complaints, this is not my fabrication. This is what I would like the hon. Minister in his winding up to say: “Well I meant all cheese”. This is why I said at the beginning, so if you were listening you would have heard, that the Tobagonian is a unique being.

Mr. President, I come to the business of Special Education. I was so pleased when I heard and read about Special Education, and I would like to make a special plea to the hon. Minister and I would like him to give me an answer. We

talk about the rights of all children to education. At the start I want to thank him for increasing the allocation to the Tobago Council for Handicapped Children from \$349,640 to \$363,000. Thank you very much. You talk about levelling the playing field, Sir? When it comes to handicapped children, especially those in Tobago, they are in a gully. You have to scrape up some of the places that have hills to fill the gully in which they are. The only school for the mentally handicapped children in Tobago is run by the Tobago Council for Handicapped Children and, praise God, with a subvention, after some years, from the Ministry of Health in Trinidad. But the punishment is for the people who teach them. Qualified people, out of the training college, assigned to the school by the Ministry of Education—an incorporated school, qualified staff with Diplomas in Special Education. But Mr. President, there is nothing for them after serving. Why are they treated differently from the teachers in other schools? Are they not teaching real children?

I am asking, Sir, and I want to say this. This problem has been brought to the Tobago House of Assembly for the last 15 years, since 1980, and it is getting worse because, the Tobago House of Assembly has degenerated into a ‘Tobago House of Segregation’. I have never seen in my life one party ruling an institution, and they have their own Opposition. It is the Government and the Opposition in one! [*Desk thumping*] I have said it to them and I have no apologies to make, because it is something that irks us, that the business of the Tobago House of Assembly cannot go on, because people do not know how to behave! It is the same thing that Sen. Daly was saying. Big men and women do not know how to behave. The hon. Minister this morning should have put that in the discipline thing that he was talking about concerning the children. [*Laughter*]

2.30 p.m.

So I would like the hon. Minister to promise me that a Cabinet note lying in the Tobago House of Assembly for one year, asking that the schools in Tobago be put under the Special Education Unit and their staff be treated as pensionable—I want him to promise me that it will be done. I want him to put it in the budget for this year because I know it is not final as yet. Just put \$150,000 in case anybody retires or dies. Let them feel that their service to the handicapped is a worthy one that merits the same kind of treatment as those who teach those who are not handicapped.

I come to a few points on education. Much has been said about education and I am not going to belabour that. You know that we have no technical/vocational

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institutions in Tobago, and one of the problems that Tobagonians have why they cannot access technical/vocational education in Trinidad at John Donaldson and San Fernando Technical School is that of accommodation. They are not begging you to buy their books; they are not begging you for anything. But they do not have any place to stay in Trinidad. This matter was taken up with—I do not know what to call him now—ex-Permanent Secretary, Justin Paul. He was making arrangements. Firstly—it is discriminatory but we were glad for something—that the males in Tobago who had applied and were accepted at the John Donaldson Technical Institute, he would have tried to house them at the Chaguaramas Youth Camp and they could travel to and from. That was a good proposition.

So please, could the Minister investigate? There must be a file somewhere that he could peruse. Ask the hon. Minister of Education. Let him peruse it and let us see. It is late, probably, for 1996, but let us see whether the term starting in 1997, you could afford to give some form of accommodation to Tobagonians coming to access education at the John Donaldson Technical Institute or the San Fernando Technical Institute. You have eight months, and I would like to have a reply to that.

I heard the hon. Minister of Education speak about the foreign currency on external examinations. I handled the examinations in the education division in Tobago. Most of the money that goes out for examinations needing foreign exchange is from private candidates. I do not know how he is going to control that. There is a sort of constraint of age and that type of thing, but I do not know. You are going to violate their human rights and you are going to get in trouble, because that is not something you can do so easily. But please, Mr. President, if the hon. Minister would look at that and let him advise his ministry to look at that.

I come to the question of heritage. When I speak about heritage I speak about the way of life of the Tobagonian. The Assembly, as I told you, is segregated, so very little happens. Will you intervene, Sir, please? Amend the laws about selling lands to foreigners. Forget the Assembly. We do not have an Assembly. We, in Tobago, are very, very concerned about what is happening. Do something about it. Promise me.

You see this marriage business with foreigners; this three days business, watch that too. I will tell you why. You notice I am bringing it under "heritage". These smart people come and buy our local "bimbos"—our local boys—and they

marry them and they get them to buy the property. Watch it! I cannot tell you what to do.

I come now to the question of tourism settlement. I was pleased with my good Friend, Sen. Cuffy-Dowlart, on this issue of settlement. I told you already at the outset that Tobago is different from Trinidad. You will talk about settlements and squatters and so on, but we have squatters and yachters too. We have squatters and yachters! What is terrible is that these yachters have made new settlements in the sea, totally disrupting our culture. As a Tobagonian, you know that the first thing you do when you go into the sea is to dip a handful of water, beat your forehead and drink some. Dr. St. Cyr, you taught me at school; do not come to Tobago and go back to Mount Irvine and drink any sea water there.

I would like the hon. Minister to talk to whoever about this situation where we have people living on the sea in boats, just where we are going to bathe, disposing all of their waste in the sea, and there is no control, while the Tobago House of Assembly quarrels and argues. Do not sit down. Do something about it. In Tobago, if you go out too long on a boat and you do not come back we report you missing. But you have people living on boats in the sea. We are not accustomed to that. It is affecting our culture and we do not like that.

I want to continue with the settlement issue. We are encouraging housing; we are encouraging people to build their own houses. That is one of the priorities of every Tobagonian, to own their own house. When your parents leave land for you, they leave land so all their children could get. There is a problem now, when my father leaves me some acres of land that I must share up among my brothers and sisters, if I want to share it up so they could build a house, the Town and Country Planning Division prohibits me from cutting up lands to share to my family to build a house because they call it agricultural lands. Every Tobagonian grows something, even if it is a head of chive. No Tobagonian is going to build a house where he cannot grow his own little garden. I reaped peas before I came here, Mr. President. I know the Minister is Tobago-friendly; he has to be. So hon. Minister, see what you can do and mention it when you are replying.

I want to look at some of the things in the development project. I want to thank the Minister for the \$1 million for the Richmond Water Supply Project. I want to thank him for the Scarborough Abattoir, the Roxborough Abattoir, the Agro-Processing, Sports and Community Development. Thank you very much,

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Sir. Congratulations. I want to make a small suggestion to my Friend, the hon. Minister of Community Development, Culture and Women's Affairs—I used to be a community development officer for 10 years. Ask Sen. Baksh, he will tell you.

2.40 p.m.

I am pleased that at last Golden Lane has found a site under the Community Centre Construction Programme. That was one of their major problems. To be fair to the previous government, it was not a question that they did not want to build a centre for them, it was a difficulty in obtaining a site, not only for the community centre but also for a playing field. That was one of the problems. I am so pleased that, at last, a site has been found and a community centre is going to be built. I am glad for that.

I want to advise the Minister though, that the dependency syndrome should not be allowed to continue. I am sure my Friend, Sen. Moore-Miggins could tell you that as villagers, we assisted in building community centres in our villages. We cooked for the men, brought water and did all sorts of things because it was a community project, and we have gone away from that. Now, people want you to do everything for them. I ask that the Minister insist that there is some form of input into the construction of these centres by the community itself, even if it is to bring water or make juice. Let them do something to contribute. Do not let it be a free-for-all. They would never treasure it.

I would tell you something. The centres that people sweat to build stand up and nobody disrespects them. Nobody must break them down. They say it is by their sweat and blood they are there. I would advise the Minister to look at that and not be fooled into giving everything they need just because they could get it.

Mr. President, the handicraft situation has always been a sore point because the people who produce these items do not want to plant and prepare the raw materials. They prefer to buy the ready-made materials coming in from Grenada. It is cheaper than if they prepare it. Secondly, the marketing of the products become expensive, so one prefers to buy a bag in Grenada or Barbados because it is cheaper. Does one understand what is happening? The problem is not as simple as one thinks. It is very difficult. One has to change the attitudes of the producers because most of them are old and fed up. They cannot get sale for their products and they do not know the types of items that tourists need. They make bulky items such as bags when one wants something small to push in their bags or

pockets so people would not know that they have it. They have to look at the choice of items they make and the standard, quality and price.

Mr. President, I want to go to a few of the development projects and to make a few suggestions to the hon. Minister. We have all heard that there is a shortfall in many of the facilities. I am going to make some suggestions. The L'Anse Fourmi/Charlottesville project has already begun, so when I heard about the eco-tourism—and I know of the holistic retreats happening in Tobago, where people from all over come to Tobago to feel the natural air and so forth—I knew what this project could do.

Apart from that, Tobagonians are a people who would hold on to things. They are going to hold the Government to the task, or the challenge, that something must be done about the issues they spoke of during the election campaign. This was one of them. The Government cannot do everything at the same time—give \$1 million. The Roxborough Market and Abattoir, add another \$200,000 to that; the agro processing, add \$100,000 to the \$200,000; the improvements to the beaches and landing facilities Parlatuvier, Pigeon Point and Delaford, add another \$100,000; the Tobago Cultural Centre, give them a start up—even if it is the plans—and announce it hard so that Tobagonians could hear; the Heritage Village, give a \$5,000 to start it up; WASA, if you want to keep the tourists, give them another \$2 million.

I have heard about culture but where to get the money from? I have heard that most of the money to be given to Caroni (1975) Limited is the Government's money. Let the Government pay back itself in tranches. Let the Government pay back itself in degrees as it is doing with the public servants. The Government should not pay Caroni all the money one time. This is what I am saying. Take \$5.1 million of the \$200-plus million and share it up as I mentioned before. We would love you even more.

Mr. President, I want to talk about the point mentioned by the hon. Minister of Education earlier today. He talked about the school drop-outs, the children who did not secure a place in the secondary schools and those going to the post primary centres. Let us not fool ourselves about the situation in Tobago. In Tobago the post primary centres accommodate zones and the children in those schools that fall outside those zones cannot go there.

I had the experience as an Education Extension Officer—with responsibility for the youth camps and trade schools—of children of 12-plus years, coming to

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me to get into these institutions, but they are too young. The rules say a child must be 14, 15 or whatever age. What happens then? These children feel so badly going back to the primary schools as if they are failures. These students impress upon their parents that the primary school is not the place for them anymore. So, they drop out at age 12-plus years.

For years I have brought this to the attention of the Education Division in Tobago, but they are quarrelling instead of seeing about the children. As a consequence, when these children reach the age of 15 years and they try to get into the trade schools or youth camps, they cannot read. That is what Sen. Gabriel talked about. They cannot read their names any more. They have forgotten the basics that they learnt in school.

I would like to see what the hon. Minister of Education would come up with for Tobago where so many children are out of the zones accommodating the common entrance child who does not have a second chance. We do not know what to do. The Government must do something, even if it has to use private institutions. The Government should do something.

The next point I want to talk about bothers me, but I am happy. Have you ever had that type of oxymoron feeling? I am happy and I am sad. I am happy because I heard the hon. Minister of Community Development, Culture and Women's Affairs expressing, stating or informing that we have money for culture subsumed in her vote. I am happy because she has money.

I was one of those people on the Tobago Heritage Festival Committee and whenever we wanted extra money—which was rarely got—we had to ask the Minister of Community Development, Culture and Women's Affairs, which whenever she gave it was a favour. It was not something that was budgeted. If it is something that was budgeted, why was it not given to the Tobago House of Assembly under culture?

This is what I want to know. If it is because they are not agreeing and they are fighting, I surrender. If I had discussed this budget without the explanation given by the hon. Minister, Tobagonians would have felt that this Government did not care about them in the area of culture. Let us be specific, consistent or open. Let us know. Is it going to be a favour this year? Is it going to be a pattern or whatever? I would like to know. I was at a meeting with the Tobago House of Assembly and the hon. Member for Tobago East and this was one of the points

raised. One of the Assembly's members was very strong that anything belonging to Tobago must be done through the Assembly.

2.50 p.m.

I probably shared the view that Sen. London thought that whatever it was there in the Assembly for Tobago, that was all. Let me say to you, thanks for that extra money, but let us make it very plain. It is not quite plain and we would like it to be very plain.

Mr. President, when you want to pilot test anything, do it in Tobago. If you want to know if those cars that Sen. Daly spoke about will last, bring them to Tobago—one time to Charlotteville, one time to L'Anse Fourmi/Castara, park it outside any office in Tobago and if it stands up to the rust, it good. When you consider Tobago, think of the higher cost of living. Anything at all one talks about, it costs more in Tobago, clothes, food, anything. When you think of a sum that will build something in Trinidad, do not assume it will do the same thing for Tobago. Always give us a little more because, naturally, we pay more for everything.

I look forward to answers to these matters that I have brought up so that I would have no qualms of conscience to support the budget, otherwise, I will have to wait and see. I am a person who likes activity. I do not like to sit on the sidelines. I would not like to abstain. I would like to know that when I come to the decision time I would vote for this budget because my concerns have been addressed, whether by recognition, promise, action, whatever.

I thank you very much.

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I, too, would like to join in extending warmest congratulations to the hon. Minister of Finance for presenting what can only be described as a very historic budget statement which has departed fundamentally from lopsided presentations in this Senate in the past. Putting people at the centre of development and anchoring the new Government's philosophical approach on solid and firm foundations, have been achieved in this budget presentation.

This budget is not about business as usual. This Government is determined to proceed with the task of economic growth, but only this time with social equity and social justice for all.

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It is against this new reality that I wish to predicate my intervention and to share with the Senate the issues and tasks facing the new Ministry of Public Administration and Information. Let me state from the very outset to this rather interesting debate by drawing the attention of this honourable Senate to the fact that this Government has demonstrated a very unquestionable commitment to raising the standards of public administration in our country. It has done so by the establishment of an independent Ministry of Public Administration and Information which I have been duly appointed to lead. This, you will agree, is a much improved institutional framework given the fact that the last administration had made ministerial provisions at a level that was not fully appreciative of the pivotal role of the public service as the administrative machinery of Government.

I hasten to add that the last administration had also failed miserably to treat responsibly and strategically with the role of information; the portfolio that partners public administration in the newly established ministry of the Government of national unity.

Let me comment briefly on the last administration's claim to fame, rather notoriety, its claim to improve management in and of the public service. In the past three and a half years this honourable Senate has heard, no doubt, of the previous administration's so-called achievements and successes mainly in the area of public service reform. The questions that must be asked are: Is public administration only about public service reform? Are they one and the same thing? Is public service reform an end in itself or is it a means to an end? I would have thought that public service reform is more like effective strategy, grand strategy designed to conceptualize long-term objectives and purposes, broad constraints and policies and a set of plans and goals for the achievement of the objectives of the public service.

I wish to assure Members of this honourable Senate that long before the November 6 victory of my Government of national unity, the public service and indeed, the country were finding out that there was a plot, definitely not a strategy to deceive hardworking public officers into thinking that my predecessor and his team of consultants was the best thing to have ever happened to them.

I wish to assure this country that my Government has the best interest of the public service at heart. I would also like to reassure public officers that the Government of national unity is totally understanding of the role of the public service in governance. Indeed, as the 1996—1998 draft *Medium Term Policy Framework* states, and I quote:

“The Government is totally mindful and in support of a highly efficient, effective and professional public administration system for the nation.”

The road to hell is sometimes paved with good intentions. Undoubtedly much good was intended to come out of the public service reform.

Had not my party intervened on November 6, 1995 the public service of the future would have been no more. Instead, we were being guaranteed a public service of the past, diseased, dead or abandoned or left for dead.

There have been several programmes of reform dating back to the 1970s. To name just two, the Public Service Review Task Force of the early 1980s and the Administrative Reform Programme of the late 1980s.

The Public Service Reform Implementation Programme of 1991 of the last administration was intended to achieve wide-ranging reforms. The emphasis was on: vision, mission, and process, a hodgepodge of initiatives. Public officers were invited and at first time coaxed into trusting the process.

Mr. President, without policy directions and a carefully thought-out strategic approach results of reform activities over the last three and a half years are proving elusive and difficult to measure.

3.00 p.m.

A vision for the public service—nothing is wrong with that, but it seemed that no one really bothered about the need to share it and ponder on the real possibility of bringing the vision to reality. With no seriously thought-out plan, a series of consultations, retreats and other organizational interventions left least suspecting public officers reeling and in a daze, and the more alert ones being forced to adopt postures of resistance. The whole reform effort has turned to “ole mas” a most expensive exercise in futility. Public service reform has neither begun to impact, effect nor touch any of the critical areas of service to the public. Had this happened we would have experienced real indicators of increased efficiency and effectiveness.

I ask this honourable Senate how near are Tobagonians to accessing services in Tobago that are still offered only in Trinidad? Out of 10 what mark would they give the health services delivery system? Has the system for licensing motor vehicles improved significantly over the last three years? How did reform help

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the immigration department to deliver an improved service in respect of the public obtaining passports? Where was reform happening? Members of this honourable Senate, even the much proclaimed improved and strategic management of the human resource has not yet happened.

May I point out that the reform effort was led by some consultants reputed to have great skills and expertise in this area. When all is said and done, reform activities, one can find them emphasized, but there are no positive results to show. We are left with chaos and disenchantment in the public service today. Public service organizations have been dismantled and decentralized willy-nilly. The Organization and Management Division (O&M) was an early victim of the past Minister's hatchet. Then they began an assault on the Public Service Commission with vague and not so vague threats. The Management Development Centre was totally obliterated by the last administration. The Personnel Department, Central Training Unit, Central Tenders Board, Public Utilities Commission, Department of Personnel Administration, were all targeted in a vicious and uncaring manner by the last dictatorial and backward PNM regime. This development obviously highlights one of the emerging issues for management development initiatives in the Caribbean. A conference with a similar theme commenced on Monday and is being hosted by the Government of Trinidad and Tobago.

Public officers in these and other areas were bombarded with messages about their incompetence and work ethics which did not match with anything anywhere resembling the private sector because of their lack of managerial skills and total disregard for any form of planning, much more strategic planning. Change was the mantra. Frame-breaking change, said one so-called consultant cum politician rolling into one. This place must be run like a business. Public officers cannot run a business. Let us bring in some private sector people, friends, family even political activists. Employment by contract was the word that went out.

I am still working on the statistics but I can assure this honourable Senate that instead of public service reform being used to treat with decreasing personnel expenditure, public service reform has caused the virtual ballooning of the service through the largely unplanned, uncontrolled and unmonitored situations of contract employment and the creation of unnecessary posts all over the public service today. What then has public service reform cost the national Treasury? Has there been value for money? The costs are not easily quantifiable especially as there has been tremendous wastage of the very human resource that the last

administration made such a dastardly boast, bold and totally useless effort to manage better.

In the wake of this mismanagement of the reform process, industrial relations plummeted to an all time low in the public service. Contrary to what the Leader of the Opposition said in his contribution to the debate, the most dismal period in our industrial relations history was not between 1986 and 1991. Ask any public service union leader, executive or even public officer and one would get confirmation that the worst and darkest period in industrial relations was between the period 1992 and 1995 when the population exiled this PNM party for a long time.

The debt to public servants is a sensitive issue. This Government is committed to solutions that are amicable and acceptable to the vast majority, if not everyone. This Government has acted in good faith and has reached out to labour representatives and their members. This must count for something. Unlike the previous administration we are neither going to ignore nor exacerbate a difficult situation. This Government is committed to restoring a stable industrial relations environment, the dignity of the worker representative bodies, collective bargaining and the role of government's representatives. All parties appreciate that in settling our debts to whomsoever, we cannot be irresponsible and reap havoc in the economy. The Government is continuing to search diligently and collaboratively for innovative solutions.

On the issue of arrears owed to the employees engaged in the public sector, I would like to say that this Government of national unity is completely committed to its public pledge of liquidating the debt owed to public sector employees in Trinidad and Tobago. We said so on the campaign trail then, and we reiterate our commitment today in this honourable House. The new Government did not get a licence to mash up the place or to destroy the integrity of the national economy of the Republic of Trinidad and Tobago. Whatever solutions are finally arrived at with the relevant public sector unions, we must do nothing to disturb the exchange rate, inflationary levels, interest rate and of course, the balance of payments. Government is certain of the co-operation of the trade union movement in this regard.

3.10 p.m.

Mr. President, as you are no doubt aware, some 32.5 per cent of Government revenue goes to personnel emolument and another 32 per cent towards the public

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debt. It therefore means that whatever we do we cannot engage in irrational action. In demonstrating our initial commitment to meet some of the debt in cash, this Government of national unity has allocated some \$90 million in the 1996 budget. The PNM did not pay a cent in 3 1/2 years. In two months we have allocated \$90 million to public servants.

We have also fulfilled our obligation to other public sector unions—10 in all—which had signed previously for bonds and other non-cash mechanisms. Agreements, which we are also honouring in 1996, were also reached with those unions on the issue of increment.

We had hoped for a new performance appraisal system to be put in place in early 1996. However, this has not materialized. In the circumstances, the Government intends to utilize the existing mechanism to meet our obligations, as well as to extend this same arrangement to cover all public sector employees who are yet to arrive at a settlement with the Chief Personnel Officer. So, whether they have signed or not signed, increments will be paid to every public sector worker in the Republic of Trinidad and Tobago in 1996.

We have also budgeted for the payment of arrears in tranches in respect of bonds and this is a situation subject to negotiation with the Chief Personnel Officer. What else can the unions ask? We have done our part and we hope that—

Sen. Jagmohan: With all the respect and humility at my disposal, I wish to ask the hon. Minister whether there is any retroactivity with respect to the increments to be paid to public servants and workers, and if so, for what period?

Hon. W. Mark: Mr. President, as you know, I am dealing with the broadest outlines of policy. All negotiations have been left to the CPO. I will not get into that this afternoon.

Sen. Daly: Could the Minister explain what is the meaning of the phrase “signed or unsigned”? Does that have anything to do with the collective bargaining process?

Hon. W. Mark: Just to elaborate on that, in 1995, a number of public sector unions, about 10, signed an agreement with the past administration to obtain bonds and non-cash mechanisms in an effort to liquidate whatever outstanding arrears were owed. A number of other trade unions, including the Public Services Association, have not signed. We are saying that even though they have not signed, we are committed to honouring increments, not only to those unions that

have signed their agreement, but those that are yet to arrive at a settlement with the CPO.

I hope I will not have to ask for extra time, Sir.

Sen. Prof. Ramchand: Does that mean that if the measure of debt forgiveness they gave to the previous government was too great that they will get a chance to revise?

Hon. W. Mark: A contract is a contract. One signs when one signs. It is full and final, so there is no reneging on it. We have to deal with the rest.

Mr. President, do you believe that after three years of reform, there is still no inventory of skills in the Ministry of Public Administration?

Sen. Daly: Does the Minister propose to strike a bargain with the individual workers, by-passing the unions that have not signed? If the union does not sign, will the Government pay the increments regardless, so that there will be no finality to the collective bargaining? I am trying to find out what “sign and does not sign” means.

Hon. W. Mark: No. There are negotiations taking place as we speak here, Sir. As I said, I do not want to get into that sensitive issue. I just wanted to alert the country that the question of the arrears is a commitment we made and intend to execute incrementally over a period of time.

Sen. Gilbert: Sen. Mark, I am concerned about the performance appraisal system. Recently we heard that TTUTA had an issue that led to the issues with the Permanent Secretaries. Is it that the Minister wishes to evade the performance appraisal issue and just *carte blanche* give people benefits?

Hon. W. Mark: The Trinidad and Tobago Unified Teachers’ Association had already agreed to the implementation of a new performance appraisal system. What happened, however, is that the government failed to complete that exercise in 1995 to have it effected in January 1996. In an effort to maintain the part of the bargain that we had inherited—to pay teachers and other public sector workers increments in accordance with the new performance appraisal system, having regard to the fact that it is not in existence—we have to resort on a temporary basis to what is called the “old performance system” in which—

Sen. Gilbert: I am asking about the process of performance appraisal rather than performance appraisal as an issue. I am looking at it throughout one’s

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organization, be it the teachers or whoever—performance appraisal as a mechanism for adequately paying people.

Hon. W. Mark: To bring this matter to a close, I want to say that we are committed to a system of performance and we expect to have that implemented some time early in 1997.

Mr. President, would you believe that after three years of reform there is still not an inventory of skills in the public service? We do not know how many public servants we have. We do not know how old they are. We do not know what skills they possess. We do not know what courses they have attended. We do not know whether there is an over- or under-supply. And Mr. President, the former Minister was this guru. I wonder what has happened. For a simple exercise like an inventory of skills, there is no human resource plan. There are no widespread technological applications to enhance efficiency and effectiveness. Computerization of the public service is still not a reality. In particular, data on the human resource is still available and accessible with great difficulty, in thousands of manila files stored in overflowing cabinets and sometimes on the floor.

Despite the attempts at establishing human resource management units in line ministries, the personnel and human resource management function is still very much centralized and co-ordinated from the centre of the Personnel Administration Department. There are still square pegs in round holes in these units, placed there by the last administration for questionable reasons, perhaps patronage.

As I said, the much touted new performance appraisal system is still not ready for implementation. The job evaluation exercise now in progress by a highly paid firm of consultants has been in trouble from its inception. Human resource development and training activities are not filling training needs that are properly diagnosed. There is no training policy to provide directions and the entire human resource development function lacks co-ordination. The last administration singled out the legal and regulatory framework of the public service even threatening to amend the Constitution if they perceived that such an amendment would help their cause.

3.20 p.m.

Again the focus was on the hapless public servant, and therefore on rules and regulations purporting to be in need of change that would have more positive

impact on the management of people. The management expert completely missed the significance of effective inter-personal relations, team-work, respect for people, shared problem-solving and all other well-espoused and proven management theories. Most importantly, very little or no effort has been made to treat with other outdated laws that pertain more to various other systems, procedures and services.

The public service unions also fell prey to the wiles of the reform effort. The unions were encouraged to place on their reform agenda their most urgent priority for their membership: This was improved office accommodation. Public servants responded with enhancement committees and beautification projects which could not have been continued. After a few district or out-of-town offices were renovated nothing of significance has occurred to adequately house the majority of public officers.

The matter of Government's property: real estate, plant, buildings and equipment, will come up for serious review and action by the new Government with a view to making the best use of their resources. A strategic planning culture should have been developed in the public service, but many public officers put in long hours and much energy into the development of strategic plans, which were to be linked to the budgetary and financial management systems. These plans have not been operationalized. As I understand it, before strategic plans could be reviewed the reform effort had moved to another technology called, strategic modelling.

Senior public servants at the level of permanent secretaries should have welcomed the attempt to provide deputy permanent secretaries. This was not to be. I have not been able to unearth much about this plan to further increase the size of the public service. I suspect it was recognized for what it was—a badly used item, so the idea has laid low for some time.

Let me say to this honourable Senate, that the public service reform effort of 1991—1995 is poor testimony of the reputed calibre of management expertise of the last administration. I therefore have the difficult and unenviable challenge of salvaging the public service. The Ministry of Public Administration and Information has a mandate to assist public service institutions, to continuously enhance their performance and increase their productivity. This ministry is a helping institution providing a variety of technical services to the entire public service in order to facilitate consistently and continuously better service delivery, both in terms of quantity and quality, and within the resource constraints imposed

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by the prevailing economic circumstances. Public service reform alone will not help in fulfilling the mandate.

This honourable Senate will hear in appropriate detail the direction my ministry will pursue during my term of office. I wish to give Members the guarantee that one significant factor that will not be missing from the Government's strategy, is a supporting policy framework for public service reform. This Senate is reminded of my ministerial responsibility for information. I believe that for the first time since the creation of the country's *Medium Term Policy Framework* that information and communication has been included as a substantive issue for the 1996—1998 period. This Government has been proposing, since its election to office, dialogue, consultation and consensus. The implications for greater transparency are therefore to be seriously noted. Undoubtedly, the new Government will take a pro-active approach to the dissemination of information with respect to its policies and programmes.

Among other things, the Government will pursue the formulation of an information communications policy and the restructuring and strengthening of institutions, with roles, functions and responsibilities for the administration and management of the Government's information/communication services and products.

As the Government embarks on new strategies, a holistic evaluative exercise is to be conducted on the various reform activities of the last three years by a carefully selected work team. This must be done in order to make a proper determination of the way forward. This Government understands the need for incremental change, and for the involvement of change by those whom change will affect. With careful strategy, shared vision and mission, clear goals and objectives, this Government will do its best to promote a re-created public service, conducting its affairs purposefully, objectively and with the highest level of professionalism and integrity. It is to become the ideal place for all those who choose it as their preferred work environment.

Mr. President, as I mentioned earlier, a policy framework will be formulated and will provide Government's philosophy and approach to managing the public service, to implementing reform and improvement programmes. Such a policy framework will also provide Government's overall approach to defining and shaping public administration, so that it can fully perform its role in respect of implementation of government policies and programmes, that result in delivery of services to the nation. The policy framework will also deal with those priorities,

those critical and long-standing problematic areas that have defied solutions until now with the presence of this Government of national unity.

My ministerial colleagues and their management will find in the policy framework, adequate and clear directions for instituting and managing improvement programmes that will increase efficiency and effectiveness within their respective ministries in a way that adds value to the whole.

A process of consultation, dialogue and consensus-building, with various partners in governance will be used to inform the formulation and availability of the policy. It is my Government's plan to have this policy available by the end of March 1996. Mr. President, you must fully appreciate that time is of the essence.

I now turn to some fundamentals. Contrary to what this honourable Senate might have heard about the inclusion of public administration in the *Medium Term Policy Framework 1996—1998*, the Government is clear about a direction for the public service. We, on this side, made clear distinctions between policy and implementation. The *Medium Term Policy Framework* is about policy directions. This Government therefore understands perfectly, unlike the last administration, that the *Medium Term Policy Framework* does not require details of programmes and strategies, nor for that matter, details of policies.

The focus on the *Medium Term Policy Framework* is on two broadly described areas, the first is a programme of continuous improvement for the public service, and the second is improved service delivery systems. In keeping with the requirements for the medium term policy framework, a few selected and critical principled strategies and measures have been outlined for the two broad policy areas mentioned, they are:

1. Implementation of cost reduction and cost saving programmes.
2. Streamlining operations for greater productivity and the elimination of wastage of human, financial and physical resources.
3. Strengthening the human resource capacities and abilities, and simultaneously focusing on improving human resource planning, development and administrative systems.
4. Operationalizing integrated relevant and appropriate computerized systems throughout the public service to support the goals of a modern, efficient and effective public service in Trinidad and Tobago.

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5. Reviewing financial management and budgetary systems with a view to achieving more meaningful linkages and support to the demands of a still unstable national economy.
6. Operationalizing an integrated human resource management information system.
7. Delivery of practical skills; training programmes to all levels of public officers in the area of computer technology.
8. Overhauling and improving critical service delivery systems that impact continuously on the quality of life in the national community.

I refer specifically to areas such as the licensing systems and procedures in the private vehicular transportation sector.

9. Cash receiving disbursement offices.
10. Strengthening approaches and strategies to ensure customer oriented and focused behaviour towards the general public.

Other areas that would benefit from policy formulation and appropriate strategy are:

11. Cost reduction, cost savings and cost elimination.
12. Human resource management and human resource development.
13. Infrastructure and organizational structure.
14. Institutional capacity and institutional strengthening.
15. The size and scope of the public service.
16. Process and procedure relative to administration and bureaucracy.
17. The legal and legislative framework.
18. Financial management.

19. Property management, accommodation and related facilities.
20. Communication and information technology and information service.
21. Labour and industrial relations.
22. People focused management and service delivery systems.
23. A *modus operandi* with respect to Trinidad and Tobago's regional and international position and image in the area of public administration.

Mr. President, as Minister of Public Administration and Information certain policies would be set out that would provide overall guidance and direction to all other Ministers who would be fully responsible and accountable to the Cabinet and to the country for strengthening public administration in their respective portfolios.

Public officers at all levels are to be held responsible and accountable for their role in implementation. Mr. President, I wish to emphasize that the watchwords that the Executive and the public service must live by are involvement, participation, dialogue, consultation, consensus building and problem solving. All too often in the business of governance, Government's role is highlighted while the role of the public service is downplayed and lacking in clarity and precision. It is therefore important to address the question of the role and definition of the public service.

Members of this honourable Senate, I have in a recent address to the Public Services Association discussed Government's concept of the role and definition of the public service, therefore I would not elaborate here because of time constraints. However, that discussion is consistent with Government's thinking on a policy direction and will be incorporated into all our efforts to set a strategy for public administration overall. However, for my purposes here today I would outline the role of the public service as the Government of national unity sees it.

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It reads:

The role of the public service is:

1. To provide administrative, management, advisory, technical services to the Government in the formulation and implementation of its policies and programmes.
2. To enable and facilitate the interaction among the Government, the private sector, the public enterprise sector, labour and all other partners in the process of governance.
3. To continuously monitor and adjust as necessary the organizational infrastructures and institutional frameworks and mechanisms that support all those directly in particular ways in growth and development, and sustainable national prosperity.

Mr. President, from the perspective of role definition the mission of the public service must be considered to be inclusive of key goals and objectives. I therefore define the mission in these terms:

1. To ensure that Government policies and programmes are translated into direct services in keeping with the needs and demands of the national community.
2. To participate in the fostering of team work with all the partners engaged in governance for the achievement of dialogue, consultation and consensus in Government's approach to nation-building.
3. To assist and support Government and other major sectors of the economy in building and sustaining a strong, stable and prosperous economic base for the country's continued growth and development.

Finally, to continually renew and energize itself to remain relevant to the country and to be capable of bringing its vision to reality.

Mr. President, in fulfilment of this mission the public officers will be encouraged and motivated to pursue innovations and entrepreneurial activities that will address a whole lot more than reform, not in a limited business sense but in a wider sense of creating opportunities for and through change.

Before ending my contribution, I would like to take this opportunity to erase from your minds any impression that you may have obtained that this Government does not have a vision, or if it has, it is one borrowed from the last

administration. Mr. President, we would like to tell the entire national community that we in this Government have our own thinkers; we have long-sighted the Opposition and the myopic vision that it sought to impose—not share—whilst it temporarily held the reins of power.

Mr. President, this Government wants an empowered public service, strong character and high ideals. The Government wants a respected and respectable public service whose employees feel that they are truly valuable assets to their various organizations—part of the national human capital. The character of which I speak has three elements:

1. The public service must become expenditure conscious in ways that demonstrate that public officers do have an appreciation and understanding of normal and acceptable business concepts and practices.
2. The public service must demonstrate work ethics and organizational behaviours that are based on certain requirements including attendance, competence, productivity, kindness, accomplishment, pay for performance, high standards and high quality service to customers, clients and patrons of the public service organizations.
3. The new public service must be pertinent to the institutions, structure, frameworks, policies, laws, rules and regulations by which and through which the organization and infrastructure of the public service are achieved and sustained.

In this regard, much of what exists now has to be revamped and strengthened to provide for a more modern infrastructure. The character of the public service of this Government has a dimension of technology, without which standards of efficiency and effectiveness are impossible to achieve and measure. The technology issues and implications of the modern public administration must be addressed. As an example, we have to choose technology to transform filing systems that are basically efficient but totally antiquated into information that can be circulated and managed for decision-making purposes—*[Interruption]*

Sen. Prof. Ramchand: Mr. President, could the hon. Minister communicate to this honourable Senate whether these noble visions are shared by the Public Services Association and the Public Service Commission in terms of the obvious need for consequent management to implement these performance systems?

3.40 p.m.

Hon. W. Mark: This is why I indicated, Sir, that what I am outlining is the Government's vision which will be based on consultation, consensus and dialogue. We hope that by the end of March, 1996, we would be able, through the consultative mechanism, to have formulated in Trinidad and Tobago for the first time, a public service policy that will anchor the vision, the mission, the role, the definition and initiatives for a more efficient and effective public service in the Republic of Trinidad and Tobago. *[Clapping from the Public Gallery]*

Mr. President, I hope that I have communicated clearly that this new Government of national unity knows what kind of public service the country needs and requires. We are not about to saddle ourselves with a white elephant, or second-hand vision. And I want Sen. Nafeesa Mohammed to know this—we are not about to saddle ourselves with a white elephant, or second-hand vision. This Government's vision for the public service is a recreated organization that is dynamic, forward-looking and objective and conducts its affairs purposefully and with the highest levels of professionalism and integrity. It is the ideal work place for all persons who choose it as their preferred place of employment.

This Government is committed to addressing the issues confronting the public service with firmness and unflinching determination in an environment which promotes dialogue, respect, team work, co-operation and consensus building. Given the calibre of public officers in the public service and the willingness of the rank and file to create a more proactive and dynamic public service I have every confidence that we in the Government of national unity shall succeed and prevail for a long time, until 2050 and beyond.

Sen. Daly: Mr. President, when this policy is drawn in March 1996, is it going to be laid in Parliament for our scrutiny and/or debate?

Hon. W. Mark: Hon. Sen. Martin Daly, we are known for our transparency and accountability. We are going to make sure, when we go through the process of consultation, that we prepare an appropriate paper for public comments so that you will have your opportunity here to say your piece.

Sen. Daly: My next question is, when this policy is drawn is it going to be laid in Parliament either for our scrutiny and our debate? I do not care where else you carry it.

Hon. W. Mark: It will be laid in Parliament, Sir. It will be laid. After all, we put the interest of the people first. The workers wanted a change, they wanted a chance, they gave us that chance and we intend to honour our commitment to the creation of not just another society, but a just society based on true social justice, human dignity, genuine freedom and fairness and peace for every single citizen in our republic. In this regard, we are committed to the words of our *National Anthem* "Every creed and race find an equal place."

Thank you, very much.

Sen. Prof. John Spence: Mr. President, I rise to speak on a Bill entitled an Act to provide for the Service of Trinidad and Tobago for the year ending December 31, 1996.

Before doing so, Sir, may I join with those others who have wished yourself and your family all the best for 1996.

Mr. President, I have found that the hon. Minister's presentation has been a very competent one, as I expected. I found a little bit surprising the effervescent praise to the budget, because it almost seems to suggest that it was not thought that he could make such a competent presentation. I want to say I thought it was very competent. I must say, however, that I do not accept the oft-stated position on the Government's side that they had only six weeks to prepare and, therefore, this presented a difficulty. An extremely important point I should make in this regard is that we seem to be getting into the mode of operation of political parties in Trinidad and Tobago that they develop their policies and strategies and any way of doing things only when they get into government.

Minister after Minister here, or speaker after speaker on the other side has said—including Sen. Wade Mark—that we will be developing our policy. Even the Minister of Culture and Social Development who gave us quite an outline of what her ministry hopes to do, ended by saying: "I will have a consultation and I will develop a policy." I do not think this is good enough as far as political parties go, and I am not saying this to the UNC in this regard. The same thing occurred in 1991 when the PNM came into power. They wanted an education policy and so they set up a task force. What is wrong with our political parties? Do they have no ideology? Do they have no conception of what they want to do? Do they have

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no policy? What do they do when they are in Opposition? Repeatedly during the last Parliament I would say to my Friend, Sen. Mark: “Who is your spokesman on agriculture? Who is your spokesman on finance? Who is your spokesman on that subject or the other? Where are your shadow ministers? Trinidad and Tobago deserves more than this. It is not good enough to say that you have just come into office and therefore, you do not have a policy. Even if it is the case that many persons may have joined both in the last Parliament and in this one, in those political parties shortly before election, somebody in the party or some group should have been developing that policy and that would then be handed to the relevant Minister to present. Of course, maybe with time, a particular Minister, if he or she were not in the party before, would influence further development or further training in that philosophy. I think we are indeed being shortchanged. It is almost as if the only reason for a political party to exist is to get into power and then decide to learn how to govern. I do not think really that is good enough.

I do not think it is only a question of getting spoiled, it is deeper than that. It is really a question of only starting to operate effectively when they have become part of the Government.

I found some difficulty with the change and format which the Minister has set in train this year in two regards. The first one I think is fairly important in the sense that he truncated the presentation and deliberately, he tells us, did not give a very expansive explanation on the policy.

I would now draw attention to the hon. Prime Minister’s presentation in the last budget debate when he was Leader of the Opposition. I think this is an extremely interesting document—he spoke for two hours and I would recommend it to any of the Government and other Senators because I think it has some very interesting points to be made. What he calls attention to, in fact, I had thought about this myself, but by chance I had noticed in the newspaper some reference to his speech, so I looked up his original speech.

What he points out is that originally in our Parliaments, there was what is called in Britain a “Throne Speech”. That is, the President outlines the Government’s plans; and so, Sir Ellis Clarke in 1976 outlined the Government’s plans. Since then, we have scrapped that system and we have gone to a system where the Minister of Finance outlines the Government’s plans and that has been taking place over the years from 1976 to today. Whether that change is a good or bad one is not the point at the moment. What is more important is that by truncating the Minister of Finance’s presentation, you then remove that overview

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of the Government's policy which you otherwise would have got. I think it is extremely important that we look at that again. Having listened to the Minister of Finance's presentation, I then waited to hear whether that overview would be coming from some other Minister and I looked at the Prime Minister's presentation, as opposed to last year when he spoke very extensively and very well. This year he made a very short presentation, perhaps 20 minutes, and did not cover the field in that way.

3.50 p.m.

I think there is an issue that has to be addressed. I think one of my senatorial colleagues had remarked that we expected that the deficiencies, so to speak, will be made up by the presentation of various ministers, and that seems to be what the Minister of Finance had expected. We got that in some cases but, nevertheless, those individual contributions do not really give us a good feel for what the major thrust is. Many persons have interpreted the thrust out of the few words which the Minister said at the beginning of his presentation and, indeed, I will do so myself as well but, as I said, that is not really good enough.

How do we judge the Minister's presentation? Again, I want to borrow from one of the Prime Minister's previous contributions because I think he had made some interesting points. He made six points about how he thinks a budget presentation should be made, what it should contain:

Firstly, a relevant budget would set a target by which the rate of unemployment will be reduced each year. Just as we target revenue and net international reserves to import ratio, so also a government should set a target to reduce unemployment by, say 2 per cent per year so that in five years' time the unemployment rate will drop by 10 per cent.

I agree entirely with that point.

One of the difficulties that many of us have had in looking at the budget is to try to deduce how the unemployment rate will be addressed by the various issues and I certainly have not got that either from the Minister's presentation or from the contributions of the various ministers. I suppose there is a theory in *laissez-faire* economics that it will happen because we do certain thing but we are not targeting. So, zero for that point.

Secondly, the budget must contain measures to reduce the pressure which the people of this country feel as they strive to survive. Poor people do not even

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have enough income to fall into a tax bracket in the first place, hence, the Minister's decision to reduce direct taxes leaves them wholly unaffected. Their need is for a reduction in indirect taxes on basic essentials; a level of social security benefits which would enable them to survive with a minimum dignity.

I will give half of a mark for that, with regard to direct taxation cut at the lower end and some reduction in food prices which I will talk about later on. I do not think, as far as I am aware, that we got any increase in social payments to the aged and unemployed.

Thirdly, the budget must safeguard the stability of the currency. The devaluation of

So, currency stabilization. I think the hon. Minister has certainly addressed the macro economic parameters in much the same way as previous governments have done and therefore it shows us that this will stabilize the currency. I have a bit of problem with his measures of cutting the top rate of income tax and corporation tax, the assumption being that this will lead to further investment and savings.

I have some data here with me, I would not read it out, I will give it to the hon. Minister if he is interested afterwards. I have for 10 years the rate of national savings, the rate of investment outside of the oil sector, the changes in income tax rate, indirect taxation—previously, purchase tax, VAT and so forth, and I cannot find any relationship between the two here at all.

I am told that in many countries that have reduced their taxes, certainly at the top, there has not been any increase in savings. I have a long list of OECD (Organization for Economic Co-operation and Development) countries many of which have reduced their tax rate—again I can refer it to the Minister—and their savings rate, in some cases, has gone down. I do not buy that particular device. Apart from the factor which we discussed earlier, I think it is all part of trickle-down economics. Half mark or three-quarters of a mark for that point.

Fourthly, a budget must encourage development of the human and productive infrastructure in the country. It must attach high importance to the training of the population in advanced technological skills. It must take targeted steps to encourage the business sector to invest not only in labour saving investments, but also in output expanding investments as well.

I am not aware—perhaps the Minister can correct me when he winds up—of any specific measures aimed at the business community. The advanced skills part of it has been addressed in the sense that it is proposed to set up a comprehensive training board and mention was made of an open university. Just saying that we want an open university really does not tell us what will happen and, as far as I am aware, there is no budgetary device for that development. We can decide how many marks we want to give for that point.

Fifthly, the budget must also be designed to encourage the greatest national savings and provide greater opportunity for the population to participate in the ownership of the country. This does not mean that a UNC budget will fail to seek to attract private capital abroad. It should seek to attract such investment abroad but, as a people, we must always be aware that self-reliance is the principle and the government must provide the ordinary citizen with the first opportunity to stake his ownership in the national patrimony.

I do not think there are any measures in the budget which involve divestment to the national population, but one must take the point about national savings. The device, as I said before, I do not think will work; that is, cutting the top marginal rate. Of course, there was much discussion on the credit unions and the Unit Trust which I will not repeat. So that we can add up and see how many marks the hon. Prime Minister would have made. If the budget were presented last year I would say perhaps 30 or 40 per cent.

Mr. President, I would just like to state my own reaction to the budget then list some individual items and say which I do not agree with. I want to go through this very rapidly because this is not as important as having a more general discussion on how we would carry forward the most important statement that the hon. Minister has made, and that is in connection with his suggestion that we have to place emphasis on social issues. I think this really is the matter which I, and many speakers before me, emphasize as being the most important statement. I will come back to that later on and amplify why I consider it most important.

As I said, I do not agree with the stimulation of savings being done in that way. I doubt it will work. This idea of gradually reducing the top marginal rate of tax—I wonder if we are going through the new Republican idea of having one fixed rate. Of course, we do have some exemptions at the bottom so it cannot be that.

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With respect to the burden of adjustment, there have been changes in the VAT rate on a number of items. I suppose individuals will have their views about which items should have been changed and which should not.

My own personal opinion is that cheese, corned beef, fresh butter and peanut butter are not appropriate items to encourage people to eat more of. I have had bypass surgery like the Prime Minister, and I do not think they are good health foods for the population. That is a pity, anyway. These are all foods I cannot eat because of my problem.

There is an issue of alternative items that might have been zero-rated, and cooking oil is one of them. It is produced locally so it is encouraging local industry and also it is widely used by many people.

I think the point made by Sen. Jagmohan should not be lost in the sense that it is true that flour is zero-rated now but one can look at it in another way; that by a directive to National Flour Mills to reduce their profits, one can in fact subsidize the price of flour.

The Minister is all for simplification of the tax regime, and I know this is one school of thought, that we should very aggressively simplify the tax regime. One of the problems, it seems to me without being an expert in the field, is that the more you simplify it the less you leave yourself the tools to give tax incentives. So one assumes therefore that if you leave more money in the hands of the people and business people, certain things will happen.

4.00 p.m.

Now, I do not accept that position, so I feel that it is useful to be able to give exemptions and tax breaks in order to encourage people to do certain things. Of course, in some instances they are very much encouraged, as we saw in the case of the importation of motor cars by returning nationals. That was one in which an incentive was taken up with very great rapidity, and you know the consequence. So it is perfectly clear that you can direct people's actions by these tax breaks.

I think, really, one of the things that I would like to see us looking at is something which mimics the previous purchase tax. Now the purchase tax was removed and I did not like it at the time—I thought it was a good device—but it was removed to simplify the system. But, of course, some countries have differential VAT rates, and at some time if pressure is going on to the rate of exchange and if surplus money is coming in, either through payments to civil servants or through reduction in the tax rates, it is going to mean that if you start consumer spending, then one way of addressing it is by differential VAT rates, and I would recommend that to the hon. Minister.

Incidentally, Mr. President, with respect to the effect on the cost of living with the changes in VAT of the various food items, there is a survey in today's *Guardian* which shows that, in fact, the change in the cost of living will be one per cent. In fact, it is quite a marginal change due to the concessions. I do not think the poor are really going to be all that well-off as a result of it.

With respect to the reduction in tax deductions on mortgage interest, I do not agree with this change because it is reducing a benefit which was encouraging people to own their homes. I think that is what we should be doing. A lot is being said about the Unit Trust and credit unions so I would not say it again.

Other measures which I do not agree with. I agree with my colleagues here that the change in liquor hours is a very bad measure, and Sen. Daniel Teelucksingh has pointed out the effect in hospitals. When I first came into this Parliament, I got from former Sen. Michael Beaubrun data much like the ones he has quoted to show that the lower the tax on alcohol, the greater the incidence of alcoholism; the higher the accident rate, and the higher incidence of hospitalisation due to alcoholic problems. It has been said: "Well you know they get it anyhow", but that is not the point. The fact is the supermarkets obviously believe that they would sell more liquor, otherwise why would they press for it? Just to make their customers happy? But, they are all in the same status so they were not attracting one from the other.

I asked one supermarket owner, how is this going to help you? He said, "Well, you know, on Sunday somebody is on their way to the beach and they had forgotten"—but we do not want them to take alcohol to the beach. So, certainly, I do not agree with that measure and, similarly, opening of the shop hours. I am surprised they have not made a comment on this—well, I am not surprised. Had Sen. Mark been on this side, I am sure he would have commented on the adverse effects that the extension of shop hours might have on workers, because, let us face it, many workers are not going to be paid overtime to work longer. They are just going to be required to work longer at the same pay. So, I do not agree with that.

Sen. Mark: We have a national minimum wage, Senator.

Sen. Pro. J. Spence: Glad to hear it.

With respect to the alcohol tax, I think it has been deduced that there is a cheaper whiskey and dearer wine. That is not a good move. Again, the whisky is imported. So is the wine, but, at least, the wine is good for coronary problems.

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[*Laughter*] You see, I am very selfish in this, but I am also thinking of your Prime Minister.

Anti-dumping legislation. I agree entirely. That is a move I agree with. As soon as we started on this trade liberalization in 1988, I wrote a letter to both newspapers saying, for Heaven's sake, anti-dumping legislation. I sent to the Minister at the time the American legislation on anti-dumping. That was in 1988; we are now in 1996, eight years later, and we are still saying we are going to have it. Yes, please, let us have it. But do not forget standards and labelling. Often you can do with labelling a great deal to discriminate—and we cannot say that word too loudly because we might be heard by the multinational agencies—to ensure that it is more likely that the foreign manufacturer cannot be bothered to change his label for your market and, therefore, will not bother to send that product in. So labelling is a device that is used very often in countries, in order to ensure that the local manufacturers do not have an advantage.

I would like to ask the hon. Minister to respond to Sen. Mohammed with respect to the \$60 million, because Sen. Mohammed seemed to think that it did not exist. I really would be very grateful if he could tell us just where and how it exists, and what it is going to be used for, because if that is, indeed, \$60 million, it might go into activities in the rural area and, therefore, might affect agricultural production. Of course, you know, Sir, I would be all in support of it.

There are one or two items which I would like to mention which were really not touched on in the budget debate but, again, I think they are items which are important from the point of view of, certainly, the agricultural sector which is what I have been concentrating on. The first is the cost of water. I am assured that there is an article in the *Guardian*—sorry I have not got the date, Sir—which says “15,000 in agri business could lose jobs.” All the agricultural organizations in Trinidad came together for a discussion and pointed out that the change in WASA's policy with respect to charges for agricultural enterprises for water could be quite devastating.

The situation is that, even if you win your own water by drilling a well, at your own expense, WASA insists that there be a meter and then the charge for the water that comes through that meter is the same as is paid by industrial enterprises that take water. There is one that is passed through the plant at Caroni and delivered to the door of the industrial user. I know at least one very interesting new enterprise with cultivation of ornamental fish, a new industry for Trinidad which was doing extremely well on the export trade; and that is what we

are being told we must do—look for niche markets and new exports. I was told a few days ago that this was closed down because they just cannot afford the cost of the water.

Land tax, I think, was mentioned in the Minister of Agriculture's presentation, which I must say in passing, Mr. President, I found a very good one. I have no difficulty at all with the presentation of the Minister. The policies are all in general terms specified there. What I had hoped would be a follow-up to that was some idea of how we are going to move forward what is a rather general umbrella statement. I must say that my difficulty is that I have had these statements in the past. It is not that I doubt the sincerity or the keenness of the hon. Minister, because I know him extremely well, but in past experience we have had this—indeed, I have said this before and I will say it again. If one goes back to 1942, you will find that the statements on agriculture are very similar over the years. So something is wrong. How do we get out of the mode? That is what I would like to suggest. We may do something visionary to get out of the mode later on.

With respect to land tax, I think that some consideration should be given by the Government to two devices. One, reducing the land tax on cultivated land, because it is a burden, depending on your enterprise. If you have an enterprise that occupies one acre of land, \$20 is nothing. If you are rearing livestock on 1,000 acres of land, then the \$20 becomes significant, and since in the case of livestock you may have a low return per unit, and be in competition with imported subsidized meat and so forth, you could have a difficulty. So really the Government should look at the device of eliminating the tax on cultivated land and increasing it on non cultivated land.

I have said, for many years now, that if you really want to bring land on to the market—one of our problems in Trinidad is that, outside of Government-owned land the rest of the land is all being held with the expectation that at some time we will get permission from Town and Country Planning to convert it into housing. That is why I got a bit upset about the initial approach of Sou-Sou Lands of converting agricultural land to housing. I know that that was not their intention and we can discuss that again later, but the fact is, if you are able to tax privately-owned, idle land at a higher rate, then the owners will sell; and if you have a lot of agricultural land coming on the market, then the farmers who want to go into business will be able to buy at a much lower rate than the artificially held price now, which is really hoping for a change in agricultural use.

4.10 p.m.

I have a couple of other minor points. It just happens that I came across them along the way. Sen. Daly kindly showed me a letter from Servol. It looks as if, again, in spite of the fact that this organization is doing an extremely good job—not that it is being cut—but a cut which was previously made has not been restored. I would ask the hon. Minister to look at that again.

There is an issue which I came across because currently I take part in an activity which is called Friends of the Botanic Gardens, and I invite all my senatorial colleagues to join in this little venture, to try and help the botanic gardens. In so doing, therefore, I looked at the sort of provisions that are made and I found an extremely important point which their provision illustrates. So while I am quoting figures from the botanic gardens, in fact, it is applicable to every research station in Trinidad and Tobago and extremely important. I want Sen. John, particularly, to take note, because I think it has to be a problem solved between the trade unions and the Government.

The botanic gardens' wages and salaries bill is \$5 million. That is for doing all the operations; running the La Pastora station, maintaining the botanic gardens, the savannah, the school premises in some instances, and so on. Then the back-up financial provisions to service labour are \$5 million worth. Materials and supplies, \$25,000; upkeep of vehicles, \$50,000; repair to vehicles, \$30,000; a total of \$105,000. Now, this is not a UNC Government creation, this has been so for years; but I draw it to your attention because I think at some time you have to address it. Either you have to make a bigger financial provision for the support services so that the vehicles do not run out of gas in June and there are no cutlasses or forks, or—and I will not mention the alternative. But I honestly think that this is something which is extremely important, because, clearly, the trade unions want to preserve jobs and not to reduce the labour force. I have no difficulty with that. Therefore, the trade union and the Government have got to sit down and dialogue. Perhaps they do it. Perhaps it has been done before. Perhaps Sen. John has tried and not made any progress. But somehow you have to solve this problem of continuously providing wages and salaries.

At the experiment station at Centeno, for many years, there has been a soil science department which would do soil analytical services for the farming public, but they would say, "we will do the service for you if you will bring the chemicals because we have no money to buy the chemicals." And so it goes on and on.

Finally, having listened to Sen. Dr. Mc Kenzie speak—though not to prejudice in any way the position that I would take when the Tobago House of Assembly Bill comes to Parliament, because clearly I must be free to make my own decision on the merits and demerits of the case—it did occur to me that perhaps this is one item that needs to be urgently addressed. For many years I myself have thought that in the agricultural field, in some ways, Tobago has more difficulty in accessing expertise in Trinidad than St. Vincent. The Prime Minister of St. Vincent could take up the telephone and say "I need assistance " and he would come down tomorrow. In Tobago there would be a problem: Whose jurisdiction? How did he do it? So certainly I believe this needs to be addressed urgently.

Now it would seem to me that on the revenue side there are two important issues with respect to the budget. I am not suggesting that the Minister was incorrect in how he called them. Certainly I am not knowledgeable in this field and could not do so, but I just call attention to them because it is important when we are judging what would happen in the future. There is the price of oil—in that regard I call attention to the fact that Iraq is now talking again about supplying oil in return for health service materials, and so on, so anything could happen; I think we are all aware of that—and then, of course, is the economic growth rate which we forecast for this year, which I believe is 4.5 per cent.

I think that we tend to concentrate on the revenue side. There have been many discussions, especially in the Lower House, about whether the Minister was right in his revenue projections or not. I agree with Lloyd Best in this regard that equally important, or perhaps more important, is the expenditure side. If we have a deficit, we could, in the long run, run into difficulties, but if we have a deficit and at the same time we have increased our productive capacity or increased our productivity, then that deficit will eventually be addressed. So really, the important thing is what we do with the money.

Again, I disagree a little with my honourable colleague, Sen. Teelucksingh, that borrowing in itself is not the problem, unless, of course, it becomes too much and then it is burdensome. More important is what you do with the money that you borrow. If you do not use it productively—I am not talking now about the efficiency with which we use it; it is the choice of items that you use it on which becomes important with regard to whether you can pay back. If you have not increased your income then you are going to find it burdensome.

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This concentration on economic growth, which is what we have been doing—I just want to read a little from a book that I find extremely interesting; I read it before in the Senate but, of course, it was a different Senate. Only a few of us are here from before. It is a book called *The Trap*, by Sir James Goldsmith. Incidentally, he is against trade liberalization, both for developed and for developing countries, so I should say that up front. But he makes this point, and I quote:

"In France, over the past twenty years GNP has grown by 80 per cent, a spectacular performance. And yet during this same period unemployment has grown from 420,000 people to 5.1 million.

In the United Kingdom, despite growth in GNP of 97 per cent, between 1961 and 1991, the number of those living in poverty grew from 5.3 million to 11.4 million."

He then refers to Anguilla and a conversation that he had with the Prime Minister of Anguilla, which gave him much hope because the Prime Minister put an emphasis on maintaining the quality of life in Anguilla, rather than rapid development of the tourist trade, which they could have done. The Prime Minister said, "you know, we might end up being a minority in our own country if we went that way"—because the population is about 11,000.

I say that with particular reference to the fact that tourism development is one of the things that is being pushed, quite correctly, and with particular reference to Tobago. I will speak about this later on if there is time. The hon. Minister has referred to the tourism master plan which is not yet a public document. I would urge this Government, in the light of its interest in getting information across to the public, to allow this to become a public document. I cannot understand why the last government did not make it public. So I make that plea.

As we all know, our main areas of economic activity are: energy, which will take care of itself, really, because the hon. Minister has given a very effective outline of the policies and I have no doubt that all is going well in that area; manufacturing, which seems to be picking up, going along, but based on export markets, so the limitations that that provide, clearly will stay with it. It will continue to grow, I have no doubt, but I do not think it is going to expand rapidly, nor will it address the unemployment situation in any significant way. Once it is for export it has to be efficient. That means it has to have full mechanization, highest technology and the lowest degree of labour input. Construction, of course,

is one that probably provides considerable employment because there are certain things that cannot be mechanized—but, of course, this is limited by the amount of investment that takes place. Incidentally, in that regard, I listened to the concern of some contractors recently on the television with respect to the change in construction projects that might be taking place with decisions taken recently.

I want, having given my own views as to certain aspects of the budget, to zero in on one or two ideas that I have expounded on in the past; so it is nothing new, but I want again to bring it to this new Government's attention, as to how we might move forward and address the particular issue which is highlighted in the budget that is dealing with unemployment, poverty and economic growth that takes account, not only of GDP but of the quality of life. The two areas that I believe can do this best are agriculture, first and foremost, and tourism linked to agriculture. It depends on the type of tourism. That, really, is an extension of the thrust that I would suggest we need to do for agriculture, because, what I would urge in the case of agriculture is that we look at the domestic market. As Sen. St. Cyr has pointed out, the advantage of having a domestic market is that you have more control over all the variables and you are not competing in a global market place in which you have to be efficient and therefore have to have a low labour supply.

4.20 p.m.

How does one get this sector working? As I said, we have certainly appeared to do so with at least two governments—I would say even going back further than that, but I am concerned at the moment with only the last two.

I accepted the proposition that was first made by Lloyd Best that we should use the School Feeding Programme as a catalyst for local agricultural production and marketing. One of the problems really in getting this moving, in the first instance, is how to provide the market, and how to provide that market at prices that would give an incentive to the farmers to produce. That is the key to the issue at hand.

The second point I would like to make, which I think is extremely important, is that the School Feeding Programme is also a social issue. In fact, at the moment it is really not being considered to be anything of an economic issue at all; it is considered to be a social service. What I am trying to suggest is that we must change that social service into an economic avenue for bringing our agricultural grouping forward and thereby moving the whole economy forward. I am suggesting that this can drive the whole economy by providing jobs which

would provide people with money so they could spend, and so the whole thing has a cascading effect.

The school population, as we were told this morning by the Minister of Education—I think if we add all the primary, secondary and tertiary education—comes to about 300,000. The present price paid for school meals is \$5.00. If one works out the number of days in a school year—I include school vacation, and I would say why later—that comes to 252 days not including Saturdays and Sundays one would get about 100 days. If one multiplies 300,000 by \$5.00 by 252 days, one would get \$375 million.

Sen. St. Cyr has pointed out to us that the revenue from gambling is about \$3.5 million. Let us see if we could find the other \$25 million somewhere; cut down on the school day or the number of meals, or cut off the university, and we could get down to a figure of \$350 million.

Is it so wrong for us as a nation to think about putting the proceeds of gambling into a school feeding programme that can result in providing a market for our farmers to develop our agricultural sector to drive the economy forward? That money would not have occurred if we had not set up these gambling systems. It is a pity we did not do it when they were set up earlier. We were getting \$17 million and now we are getting an extra \$350 million. Even now, is it too late? Has the Minister of Finance so relied upon gambling to balance his books that he cannot do without it for the very important economic reason to allow him to eventually get more income by stimulating the economy to address the social issue which he has said is high on his agenda?

I have passed through primary schools during the lunch period and was touched to see boys and girls going home with little boxes, taking a little extra food home for the rest of the kids. This is what is being done. So we do not just provide for the children who are there.

In 1976 Sen. Louise Horne, in her contribution during the budget debate, drew attention to milk distribution in schools at that time. She was told by school principals that very often little children are told by their mothers to bring home some milk for the babies.

This is what we are talking about. We are talking about a social programme to stimulate the agricultural sector in order to move the economy forward by providing jobs and stimulating activity for all the people who have to provide the

food. This must be done at the community level. I am not suggesting—as we would have done when we had the money in the boom years—that we try to set up central kitchens. During that period every parasite from all over the world was descending upon us to give us packaged meals to be given to the children in schools. That is not what we are talking about. Unless it is absolutely necessary, no single meal must contain any item which is not produced locally.

In the first instance, it may have to be, but finally, that is what we are aiming at. We could get our nutritionist to prepare a balanced diet made up of our local foods, many of which are nutritional and healthy and are much better than the imported foods which many of the fast food chains are willing to give us. It must be locally done.

As a nation, let us aim ourselves—and I am saying this deliberately—not by legislation or incorrect pressure, to put the fast food businesses that import their foods, out of business unless they are prepared to change their diet for Trinidad and Tobago. That is what the Japanese do. The Japanese do not rely upon imports for their foods; not even for their rice. They pay phenomenal prices for their rice in order to ensure that their culture is preserved. We are saying we want to revive our agricultural culture. Let us put our money where our mouths are. It is not even money that we collect in tax revenues that I am suggesting; it is money that we get by setting up a gambling scheme.

Mr. President, I really wish that somebody, sometime in some government would tell me, "Spence, what you are talking about is nonsense; why don't you shut up?" But, they never do that. Nobody criticizes. They all listen and then nothing happens. Mr. Minister, please, get up in your response and say, "Look, you cannot do that for so and so reason", and then I would respond and say we can do it this way or that way.

Social expenditure is an interesting device which is going to result in economic activity, a reduction in unemployment and so forth. I would emphasize the point. I listened to the Minister of Community Development and I was very struck by the point she made about communities. That is how it should be done. If you are doing it at community levels, those people are going to be watching to see if there are any sharks ripping off their own school children. That is the place to do it. In fact, honestly, I would move school feeding from the Ministry of Education and place it either under the Ministry of Finance, because it is going to bring money in anyway, or the Ministry of Community Development.

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The big advantage too, is that small farmers could participate. One of our problems with agriculture is that for years we have had small farmers producing low-priced crops. In a world in which there is trade liberalization and one has to be internationally competitive, one cannot do that. One has to separate one's sector into two distinct areas; small farmers who could produce high-priced crops, or small farmers for whom you could get a high price for the crop. That is what one may have to do, at least initially, in this school feeding programme.

One might be using small farmers and one might be paying prices that are higher than one would want to pay, but remember there is a social expenditure and in the end economic activity is stimulated.

If we are talking about the other sector, export agriculture, competing internationally, that is a different kettle of fish altogether. There, one is not talking about employing large numbers of people. Keep the point clear. Anybody who thinks that one would increase jobs in agriculture by developing enterprises which have export as their main activity must think again. I hear this being said over and over again; agriculture is going to employ people. It depends on what you do with it. I am suggesting a device by which one could employ a certain number of people. If one does not do it that way, and it is just left to the market forces, well, it would not happen and we would chug along the way we have been chugging along.

We boast that we have had so much increase and when we look at the base we started on it is meaningless with respect to the increase based on the annual review or the Central Bank's figures about the change in agricultural production. It does not mean a thing because the base is so low.

Indeed, one of the things I find a little alarming is the emphasis that we have been placing on it. I do not know what the new Government's policy would be on the production of sugar. It is amazing to me that up to 1995 our export drive in the agricultural sector has been sugar. We listen every day to what is happening with respect to banana. We know that Castro cannot live forever—he has to die sometime—then Cuba could come back to the forefront and we would be competing with their sugar.

The Europeans are not going to go on forever paying us extra prices for sugar; the US is not going to go on either. We actually expanded this year and we were all overjoyed as the Leeward Islands are every time there is a change in the price of bananas, but eventually the Leeward Islands would catch it too, because the

Europeans are not going to pay. How can you live in a world in which you say you espouse to trade liberalization, GATT and all the rest of it and you say you are going to make it your flagship, yet the price is going to depend on prices above world market prices through a preference system that has gone on since heaven knows when.

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. M. Daly*]

Question put and agreed to.

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

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. Prof. J. Spence: Mr. President, I want to make one point that I had omitted to make to the Minister of Finance before the tea break. I ask him to look into the fact that whereas manufacturers of exports are free from corporation tax, agricultural exports are not. I believe one can, by application, get a concession but it is not automatic in the way that agricultural manufacturing exports are. I have to state that I am in the cut-flower business for export.

Mr. President, one of the points that I was making earlier on was that I hope that by this device which was started in the schools, we would change our taste for the sort of foods that we eat. I would just read a short passage from a very interesting book. Certainly, many of you, may recall, *At Last, Christmas in the West Indies*, by Charles Kingsley, written when he visited the Caribbean, particularly Trinidad, in the 19th Century. He talked about the fine Trinidad cocoa and that they produced here not only cocoa but vanilla and sugar, and that these were the ingredients of cocoa. I quote:

“This latter fact once inspired an adventurous German with the thought that he could make chocolate in Trinidad just as well as in Paris. And (so goes the story) he succeeded. But the fair Creoles would not buy it. It could not be good; it could not be the real article, unless it had crossed the Atlantic twice to and from that center of fashion, Paris.”

I hope that we can change that in the 21st Century, at least. I would like the Minister of Finance to take some positive steps, not necessarily in the budget, but

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positive action after this discussion to ensure that this idea of the school feeding programme being the catalyst for agriculture, developing agriculture to become the engine of growth for the economy, be pushed forward by setting aside a sum of money to study the idea further.

Clearly, I have just talked in very global terms. Now we have to get down to the facts and figures, economic, social, operational and organizational feasibility. I urge him to set aside a suitable sum of money and get on with that part of the job so that in future I would not have to talk about it again.

One can say to me he has looked at it in detail and it does not work. On the social side I would make reference to the Mc Intyre Report which was commissioned by the Government in 1993. There were some very interesting things to say about an immediate action plan for addressing unemployment and poverty in Trinidad and Tobago. The last Government kept that under wraps. Again, in the sense of openness, I hope it would be made public, discussed and acted upon.

There is another issue on the other side of alleviating poverty I would like to put forward. I have spoken about it in the past. I would call it, "a grow your own food campaign." There is no reason why we should not encourage, teach and show people how much of the money that they spend on food may be eliminated by growing some of it themselves. This does not just apply to rural folks. I know it is done in Tobago. I was there recently on a holiday and some of the people could not tell me the price of food in the market because they grow their own. We want to introduce that, but not just in the rural areas, in the towns, in baskets, pots, pans. A passion fruit vine on the wall between two houses in Laventille would keep both households with enough fresh fruit for the children for months, I do not want to say more about this, I have spoken enough about it in the past, but I really think that we ought to put the same public relations effort that was put into both parties during the last election, which was so successful, into "a grow your own food campaign" so that people can do it.

In Britain even 40 or 50 years after the war there are people who have an allotment and they grow food. I have a Barbadian friend living in England, he grows most of his own food in a small plot nearby. Certainly, let us look at that possibility. Some mentioned the old cliché about teaching a man to fish, this is more direct than teaching him handicraft to buy food. You are teaching him how to grow the food himself. If you want to get rid of the soup kitchens, Sen. Rev. Gray-Burke, I would suggest that you support that sort of campaign rather than

just cutting down the price of food. Cutting the price of food does not help those who do not have the money to buy food in the first place.

Caroni (1975) Limited. In 1979 I sat for a year with the hon. Basdeo Panday on a committee which did a thorough investigation of the sugar industry and we came up with a rationalization report. It was never implemented, and then it went to the tripartite agreement. I still firmly believe that the things we agreed to in that report in 1979 are valid today and that the thrust we are taking with Caroni (1975) Limited, to turn it entirely into a sugar company, is the wrong one. We should go back to it being a major avenue for agricultural development in Trinidad and Tobago, not thinking now about local domestic production which I have just outlined for the school feeding programme, but thinking about the export thrust in crops like cocoa and citrus. I have said it repeatedly here, a 3,000 acre of citrus should not be run as the state farm because of praedial larceny. Caroni cannot run it. Give it out to farmers—50-acre blocks—some of them university graduates, if we want to increase the level of education of our farming community, if we say we are going to compete in a liberalized world but that we are not thinking how to get our university graduates into farming. So there is no farming and the level of skills of the farmers cannot meet this international competition. For heaven's sake, let us get Caroni itself to have a wider vision than just producing sugar, which is bound to fail in the long run.

Earlier on I mentioned tourism. The thing about tourism is that I feel the way that we should develop it is not just to provide services. All along we thought of tourism as providing jobs by way of services. We have to think of tourism as being an alternative market for goods and those goods are agricultural goods, they are furniture for the hotels, fittings, not just handicraft materials but anything the tourist would feel is important to him when he is in Trinidad and Tobago and some of which he would like to take back. Your tourist industry is a market for goods which you are supplying, the major areas of which are agricultural goods and I think that is the way tourism should develop. I do not think that we should be going for these large hotels—somebody said 5,000 hotel rooms in Tobago—you would kill the goose that laid the golden egg. What people want in Tobago will disappear very rapidly if that is the approach that is being taken.

My thrust in Tobago would be for conservation tourism as I believe the whole island should be declared a conservation area and all the developments that take place should be with that as a background. So that when you are thinking of development of resources for tourism you should be thinking of Asa Wright,

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which is an excellent example of what we can do. Beware of eco-tourism if you are talking about eco-tourism and backpackers; large numbers of young people trying to get there on the cheap. That would not do. And the package tours bring everything with them. That is not the way I think we ought to go. You cannot do anything about the south side corner of Tobago, but you can do something about the rest of the island. I believe the tourism master plan is saying 1000 rooms in Charlotteville.

5.10 p.m.

That is why I want to see the tourist plan in public because I think there could be some developments which would be disastrous for Tobago. Let our tourism develop in a way that we are looking for. Let people be interested in being in the country because it is an interesting place to be and they will return and tell their friends. Advertisement will not be so expensive because it will be done by word of mouth. Asa Wright has 80 per cent occupancy throughout the year and they do not advertise in the way other hotels do. That is the way we should be going.

I should like to talk about a subject that I had touched on just before the break of the last Parliament. That is a technical university of Trinidad and Tobago. To my mind this Government has said somewhat glibly that it is going to open a university. I do not know if they know what it means to start a university. It certainly is just not a statement. Long before we get to the opening of a university let us put our tertiary education structures in proper place in Trinidad and Tobago. We have John Donaldson and San Fernando Technical Institutes, ECIAF and others. Originally, they were to be brought together under one umbrella which was to be NIHERST. That was not done.

The last government decided that there would have been a community college and that was not done. Let us forget all that. Let us decide that all these tertiary level institutions be properly organized into a technical university of Trinidad and Tobago. That is what we need. When the Government talks about national training they do not have to set up an outside body. The problem is that committees, commissions and task forces are set up, but they are all external to the system and they do not work. What is needed is an institution that has the internal capacity to generate that. One of the responsibilities of the technical university is to provide those technical skills which are needed in the community in order to develop. That is one of its mandate. The people in that institution have the capacity to develop that programme. There will be no need to set up those councils and training boards external to the institutions.

I went through the last Parliament. If Members are interested I can get copies of *Hansard* and circulate those where I indicated the savings that could be realized in the central library system, central information system and central analytical system. The same thing applies to research and development institutions like CARIRI and IMA. It takes the same capacity in research to lead five persons as it takes to lead 100. Any literally small country is short of research leadership capacity. If you take 100 scientists and break that up into 20 institutions, 20 leaders have to be found. That cannot be done and that is where we are falling.

There is one final point. It surprises me that there is nothing about science and technology policy in the budget debate or in any of the presentations. When I think of how much time and effort in the past we spent in thinking how important science and technology was and indeed still is to our becoming a modern society, it surprises me. If I had enough time I would have elaborated on the area of science and technology. I suppose it still resides within the Prime Minister's Office but it is difficult for him to deal with science and technology. What is the Government doing about assigning science and technology to some minister who has the time and would be able to cope with this area? It is extremely important if the Government is thinking about a modern world and competing in the 21st Century. If they are not concerned about how technology is acquired and regulated; the patented system; how indigenous technology is developed and what the research institutions are doing, they certainly would not make it.

Thank you.

Sen. Selwyn John: Mr. President I join with the other Members of the Senate who have conveyed best wishes to you. I wish each and everyone not only a prosperous New Year but also a productive one. I think if we all join and forget the differences between us we can achieve many things that we are speaking about today.

Let me also say that we have come here as Parliamentarians and we attempt to do our best, but in the *Trinidad Guardian* dated January 23, on the front page there was an article about "how you could go so low" referring to the contribution made the evening before by Sen. Jagmohan. I am wondering if with our democracy and the fact that we preach about a free press, whether it gives licence to degrade, humiliate or treat people in the manner in which that article did. I

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think we are bordering on the privilege of Parliament. Very early in our term we should ensure that people pay respect to Members of Parliament. I am not saying if they are wrong the press should not comment on it, but I think that was carrying it too far. I say thanks for the compliments paid to me by the Senator. He has indicated that he is a country-boy but we welcome the contributions. It is what we would expect in Parliament. It was straightforward and had the facts.

I deem it a privilege and an honour to make a contribution in this honourable Senate today as a labour representative in this government of national unity. Today is regarded as a red letter day by the national trade union movement having been denied the opportunity to participate at this level for the last four terms of Parliament. The labour movement now has the opportunity to make its contribution in the spirit of co-operation which has been enunciated by the present Government. Under such conditions we in the labour movement are willing to do our part in helping the nation achieve the goal of national unity by offering our co-operation and assistance to the Government, by working closely with them in a partnership to improve the lot of the people of our country in general and workers in particular. *[Desk thumping]*

Usually a budget is framed in a manner which will offer remedies that are suited to the economy. Therefore any budget should not be taken in a vacuum. As this budget also falls within this frame it is necessary for the budget to be supported by the policy enunciated by the Government that are documented in the various papers laid in Parliament such as the *Medium Term Policy* and reports of the economy for preceding years. It is necessary for us to address the budget within this total framework.

The Government's *Medium Term Policy* agenda indicates quite clearly their broad objectives. The labour movement is heartened and delighted that these goals are targeted to the improvement of the quality of life for the people, especially that sector of the society that is described as victims of an adjustment policy that was anti-worker, and one that was geared to pauperize the unprotected and most defenceless groups in the society.

This budget has finally shifted its focus by making the small people the centre of the development process. The labour movement understands that it must and is going to take a leading role in order to ensure that such thinking by the Government will be consistent and will continue to lead to the creation of an environment that will provide the opportunities and economic climate to further advance the cause of the small people of Trinidad and Tobago.

In presenting the budget the Government was careful not to leave the public with the impression that its employees are part of the problem that faces the society, and that the cost to produce public goods and services is a strain on the nation's financial reserves.

5.20 p.m.

For example, in 1994, the Chief Personnel Officer, who was the employer of the public sector employees, together with some public sector unions, agreed to put a mechanism in place to deal with what was considered excess labour in the various establishments, by offering voluntary separation and early retirement to workers—the famous VTEP and VSEP.

This was done to provide security of tenure for the mass majority of workers and to avoid mass retrenchment, which was the then Government's first option. The last government initiated the job reduction exercise, but the security to workers was not realized as the very government reneged on agreements for the security of the workers. In addition, the then PNM Government agreed to implement a report from the accounting firm of Price Waterhouse recommending the contracting out of work and the retrenchment of the work-force of an entire ministry, some 14,000 workers, and then to offer to these workers short-term contracts. This resulted in a threat of retrenchment and underemployment and consequently a reduction in wages and salaries and a deterioration in the standard of living of those workers.

Mr. President, in the details of estimates of recurrent expenditure in this budget, the Government of national unity will be giving its workers a sense of comfort and security as provisions have been made by the Minister of Finance for the necessary funds in allocations to the various ministries. This would give guarantees for their secured employment—a guarantee that was not honoured by the last government.

It was a policy of the previous government to meet with trade unions, negotiate agreements and either not implement the decisions, or ignore them completely without regard for the consequences. It took this administration, the Government of national unity, the courage and will to provide the necessary financial resources for an effective and efficient service to the public, a request made by the trade unions, which should have been provided a long time ago, thus avoiding conflict and the separation of thousands of workers.

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If I may refer, Mr. President, to the statement by Sen. Danny Montano that the PNM Government was able to provide 29,000 new jobs during the last four years, I think he also must take into account the fact that there were more than 29,000 workers, mainly public sector workers, who were displaced by the very government. In my union, the NUGFW, we have lost almost 8,000 workers, those workers being separated. This is bothering me. Where are these 29,000 new jobs and why could not some of the workers who were retrenched or retired because of job reductions placed in some of these new jobs?

It was a policy of the previous government to do these things, but it took this administration, the Government of national unity, the courage and will to provide the necessary financial resources for an effective and efficient service to the public by agreeing to provide the resources. Indeed, this, among other measures, showed that government was about to create, with the direct participation of the labour movement, an environment in the workplace and elsewhere, that would encourage and realize optimum efficiency, a higher level of productivity and a much greater sense of security, all of these fashioned through a consultative process, and systems which identify and give real meaning to the industrial relations principles of workers' participation. We have outlined this on page 15 of our *Medium Term Policy Framework*.

The labour movement has so proposed, and steps have already been taken, to establish industrial democracy that would be acceptable to both employers and workers. In this connection, one of the difficulties facing the country is the lack of adequate programmes providing training and retraining to Government employees. To this end, the NUGFW has proposed a programme aimed at persons at the supervisory level. The aim of this programme is to assist these persons to appreciate their role in management and to understand the functions of personnel management and industrial relations. To this end, seminars will be mounted and it is envisaged that officers of the union will join with specialist educators to lecture at classes of management personnel, together with workers who interface with them, on the various aspects of these subjects.

Mr. President, this society suffers from mismanagement and many persons at supervisory level are ignorant on matters of this sort. Many decisions when taken, although taken in good conscience, have proven to be wrong, and time and time again, Government, as employer, is made to pay large sums of money as compensation to workers for illegal and wrong action. It is in the interest of all of us that we not only develop well-trained workers, but we also have the best

trained managers, a feature that will redound to the interest of the peoples of the country.

The NUGFW has already discussed this project with two ministries and it is hoped that such a programme will commence by the beginning of March, 1996. It is hoped that eventually this training programme would be extended to all other ministries. At the completion of the programme, it is hoped that some events of the recent past, where the Government as the employer had to be hauled before the Ministry of Labour and the Industrial Court for failure to honour the collective agreement and several clauses of same, will be eliminated, especially in cases where persons in management have proven to be ignorant of the basic knowledge of industrial relations.

It should be noted that there are deliberate underhand practices being carried out, for example, non-application and honouring of collective agreements; the unwillingness to negotiate and conclude these agreements; disregarding terms of employment and conditions of service enshrined in collective agreements; defying orders of the Industrial Court; privatization, retrenchment, lay-offs, and a host of other anti-labour devices.

Government and some private sector employers have been guilty of ignoring the just claims of workers, and this Government, which has only been here for two months, has already begun recognizing claims and settling them, so I am not referring to the present Government. They are guilty of sins against the working people of the country. Workers over the last decade have lived in anguish and fear because of the abovementioned practices of employers. In many of these cases their worst fears were realized with thousands being sent home through retrenchment, a substantial number without compensation. I am sure you might have heard the statement by the hon. Minister of Labour, that over \$374 million in severance pay is still outstanding to workers, some of whom had been retrenched almost 10 years ago.

The Minister of Labour, in a recent report, has indicated that a substantial number of workers who have been retrenched have not been paid severance benefits due to them and moreso that the figures are alarming. As it stands, some of these workers have been out of work for the last 10 years. This situation has been aggravated by the recent judgment of the Privy Council in which they ruled that the Retrenchment and Severance Benefit Act is flawed and that workers who are affected and depend on the provisions of this Act are not entitled to payment if the company where those workers were separated was totally closed down. In

other words, these workers have no claim on the fixed and floating assets of such companies. This Privy Council judgment had been drawn to the attention of the previous Government, yet, after two years the trade union movement had not seen any action by them to amend the Act to provide relief to workers.

5.30 p.m.

I am happy to state that the Minister of Labour and Co-operatives of this Government of national unity has already apprised the National Trade Union Centre that draft legislation was being prepared on this matter. The so-called public service reform efforts pursued by the PNM government have failed to end the discriminatory and divisive practices within the public service, there still exist a first and lower-class system of workers. Equity is not even apparent. Pensions are only for the first-class worker.

I draw to the attention of this honourable Senate that the Government is also the largest single employer in the country. They have thus set the industrial relations pattern for the entire country. Moreso, the Government has, over the years, advised employers, especially foreign companies to use the terms and conditions of the collective agreement for its own hourly, daily-and weekly- rated workers as a pattern for their guidance. However, it is regretted that the last PNM government dragged its feet in the provision of pension to the daily-paid bargaining unit.

As the President General of the National Union of Government and Federated Workers, I have had the difficult task of getting the past administration to agree to pensions for these workers. The matter has been under negotiations since the grant of Independence in 1962. We had some hope, when in 1966, with the visit of the Queen to this country, in the Throne Speech delivered to this Parliament, she announced that her Government would provide pensions to this bargaining unit of workers, yet 30 years later, the matter is still outstanding.

During 1994, in negotiating the renewal of the collective agreement, the past administration submitted proposals to provide such pensions to the union. Although the union submitted its acceptance of these proposals to them, without change, they still refused to enter into agreement on this matter. It is still outstanding.

The public service arrears is still a major issue. When workers are owed, such payments are classified by conservative economists and other *status quo* holders as having adverse and negative effects on the economy. On the other hand, profits

are almost uncontrollable and yet no one seems to bother that such major profits have had no effect on eliminating poverty, reducing crime, and/or solving unemployment. Labour, as partners with Government would persuade the economic thinkers to reorganize their thoughts and assumptions, so that more acceptable ways and means would be used for the resources available to reach Government's stated objectives. In this regard, with the reduction of taxes by this Government of national unity, the trade union movement is expecting that part of these profits will be used by these companies for creating jobs.

The hon. Minister of Finance in his budget statement has made a step in this direction. This thinking is identifiable when we view the allocations made for Government's daily-paid employees with reference to wages and COLA. Government daily-paid employees fall into the category of the lower income workers. They could be described as the working poor—similar to workers in Caroni, Tobago and several other rural communities. The hon. Minister of Finance has seen it fit to kick-start the unused quality resource that exists in this highly potentially productive sector of the Government.

The Ministry of Works and Transport, the Ministry of Agriculture, Land and Marine Resources, the Ministry of Local Government and the Tobago House of Assembly are governmental departments that do have the potential, when managed effectively and professionally, to facilitate sustainable development and growth in this twin-island state. The ministers and administrators who manage these ministries and departments have the unenviable task and responsibility of rising to these challenges. With the correct use of the resources available to them within their various ministries, it will surely redound to generating sustainable employment opportunities, not only in the public service, but more importantly, in the agriculture, tourism, construction and manufacturing industries of the private sector.

The 1996 budget has shown Government renewing its faith and commitment to the small man. The hon. Minister of Finance understands that such unutilized resources, dormant for so many years, when given the right education, training, an environment that is more user friendly, a management system and philosophy that encourages his participation, must greatly booster confidence and create the type of motivation that has been stifled for so many years.

Government's role in the medium-term would be to lead from the front, and at the same time provide necessary facilities and opportunities that will allow the

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private and other sectors of the society to catch up and show that they are truly capable and deserving the sobriquet of equal partners.

Let me say that the trade union movement is not excluded and would continue revolutionising its strategies to ensure that we, and the working class we represent, honestly earn our share of the national cake. Workers are not looking for any handouts. They are aware that improved benefits are achieved by being committed to higher levels of efficiency and productivity through a better work ethic and attitude.

These days trade unions' negotiations are not confined to the question of the rising cost of living and matters as these. When the trade unions negotiate at the present time, we base the negotiations on the question of productivity. One has to show, not only that the workers have put their shoulders to the wheel and improved the concern, but that they have improved the quality and productivity of the jobs they are doing.

I do not see Sen. Beckles here. When she mentioned that the daily paid workers arrive on the job at 6.00 a.m. and leave at 8.00 a.m.—I would not doubt that some workers may do it. If the supervisor is not there and they complete a task they may leave, but the trade union that I represent has had the opportunity of addressing the question of productivity and the need for workers to show increased productivity, so that not only would they benefit directly from profits or in this case the lower cost of the goods and services, but that they attempt to show that they are prepared to join with everyone to manage the economy—especially where one is a public sector worker—and ensure the security of their employment. *[Desk thumping]*

Mr. President, such policies must ensure:

1. Workers' representation on the boards of all state enterprises and statutory authorities.
2. Institutionalising the consultative and participatory machinery that would be used to formulate economic and social policies within the legal framework.
3. Implementing into national law the provisions of the ILO Convention No. 144—tripartite, recently ratified by the last Government.

5.40 p.m.

Mr. President, as I said at the beginning of this presentation, that Government tried to identify remedies that would help achieve Government's overall policies. It is essential therefore that the supreme goal of the Government of national unity must be supported by laws that show quite clearly that Government is serious. Workers in this republic are restricted from participating meaningfully by existing laws and are discouraged because of the lack of support that the legal system offers.

To this extent, the Government of national unity has on its agenda, the necessary legislative measures beginning this year as reflected in Government's *Medium Term Policy Framework, 1996-1998*. Therefore our Government will implement the following measures. The labour movement is expecting that the Government would:

- (a) Amend existing laws to facilitate the expeditious and unrestricted recognition of trade unions.
- (b) Provisions to facilitate the merger and amalgamation of trade unions.
- (c) Provisions regarding the Agency Shop Order would be streamlined to allow for the security of the trade union movement.
- (d) Urgent amendment of the Retrenchment and Severance Benefits Act to guarantee and protect the workers' right to severance payment in all types of redundancies, including business closures, and in cases of receivership and liquidation.

I described before the draconian policies and practices that were instituted to eliminate organized labour which was done under the title of structural adjustment and given such names as financial and trade liberalization, privatization and commercialization. These have all taken their toll, resulting in an increase in tolerance and disregard for basic human rights, trade union rights and social welfare. This budget shows a revisitation of these measures and in consequence alternate strategies would be adapted to guarantee a humanistic and consultative approach to:

- Privatization;
- De-monopolization of state enterprises;
- Rationalization of the human resource base in public and private sectors.

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Mr. President, the labour movement has expressed concern with the Minister of Finance's statement on the de-monopolization of National Petroleum Marketing Company. It would appear that the Minister's statement has been taken out of context, as in the debate in the other place it was clear that National Petroleum has had problems with the repair and refurbishment of some of the service stations and therefore, it is expected that Government would meet some of these costs. At this point in time it does not seem feasible or, for that matter, the Government could redirect resources for this purpose.

The intention here is that de-monopolizing National Petroleum would allow for the relief to this company to allow for private interests to meet such exigencies—as National Petroleum lacks the resources to meet the upgrading and repairs that are urgently required at this moment. Let us not fool ourselves, one could go into any parlour, any shop, or in any parts place these days and see the range of oils and car products that are on the market at prices that NP could readily compete with. So it is not a question that one is putting anybody out of the way. I am assured that the relevant union has been informed of this development and I am also assured that the union would hold dialogue with the relevant authorities on the matter.

After countless requests, I can assure you that the labour movement is happy with the Minister of Labour's commitment to the correct level of staffing in that ministry, not to mention our Government's position in introducing a standard minimum wage in all industries, which will not create obstacles in the collective bargaining process. It is our intention to ensure the protection of women and especially children against the abuse of unscrupulous employers.

Mr. President, the Minister, in the other place, referred to the degradation of the Ministry of Labour, a ministry that has actually become a shell. Those of us who are industrial relations practitioners have even begun to shun the place because to us it has become ineffective and is unable to play much of a role in assisting to resolve disputes between employers and unions, which to us should be their main functions. It is interesting that an important ministry as the Ministry of Labour which should be in the forefront of developing a rationale that could bring employers and workers closer together by eliminating the disputes, if not eliminating, getting parties together to resolve them, should be allowed to deteriorate. Of course, the hon. Minister is new there and has to depend a lot on the persons attached to the ministry, even for the information contained in the speech he delivered in the Lower House.

He is unaware of the fact that the Ministry of Labour had shifted its mission and focus from mediation and conciliation to manpower development, and has made its emphasis during the last four years in this new area. To this extent, during this period, persons whose careers in the ministry were solely concerned with manpower development matters were appointed, and in some cases pitch-forked into the management and supervisory position at the ministry. However, the officers with experience and expertise in industrial relations, especially in the ability to settle disputes between the employers and the unions, experts in conciliation and mediation, were sidelined, humbled and frustrated, especially the most senior officers were either hounded out or resigned earlier than expected. So the situation has reached the point where disputes that are reported are at times not processed by the ministry, and even when dealt with and require an unresolved certificate to allow for its referral to the Industrial Court, these take a very long time to be issued. Mr. President, from my personal experience, the NUGFW has over 200 matters awaiting the issue of these unresolved certificates, in some cases as long as one year. The Act requires that it be issued in 21 days after the dispute could not be resolved.

I am one of those leaders who has agreed to the request of the Minister of Labour for a three-month grace period to prepare and issue the outstanding and unresolved certificates, and I have offered the ministry the resources of my own union to assist in this matter.

I am glad to see that my colleague, the Minister of Labour, has shown that he does have an appreciation of the issues that affect the women in the work place. Not only maternity leave would have to be made mandatory, the labour movement holds the view that legislation should have been enacted to also provide certain basic benefits for workers such as sick and vacation leave. Although we have developed into a modern and sophisticated society quite a substantial number of workers are denied these benefits.

Mr. President, I want to refer to statements which are being made by responsible persons in the country, including Members of Parliament. They refer to the question of payments to be made to workers at Caroni (1975) Limited. We are aware that resulting from a judgment of the Industrial Court that these workers were awarded certain increases which were not honoured by the PNM Government. The company was instructed to appeal the judgment but later withdrew this appeal. The issue was settled by the appointment of a tripartite committee which comprised the union, the employer, Caroni and the

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Government, to look at certain matters of concern in the sugar industry, including the settlement of these outstanding moneys due to the workers arising out of the judgment of the Industrial Court.

It is therefore mischievous for persons who have been involved in issues relating to the tripartite committee at Caroni to give the impression that the present Government of national unity has provided moneys to pay back-pay to Caroni workers. The connotation is that as Mr. Panday becomes Prime Minister he ensures that the moneys are given for back-pay. It is very mischievous and misleading. It tends to create disunity among the workers and unions that some of us are fighting to get issues settled. We have matters of judgment at the Industrial Court and while they are doing all that, Mr. Panday found it fit to get money to pay back-pay to Caroni workers.

5.50 p.m.

Sen. Mohammed: Is the hon. Senator aware—whilst he is on the topic of Caroni (1975) Limited—of the agricultural sector loan and the fact that there has to be a reduction of the labour force at Caroni (1975) Limited?

Sen. S. John: Mr. President, I was dealing with that statement made by the Leader of the Opposition, Mr. Manning, that the Government of national unity has provided back-pay for Caroni (1975) workers. That is not true! The facts of this matter are that according to the provisions of the tripartite committee, the workers were to be paid their outstanding debt in the judgment of the Industrial Court which they decided to honour. They were to be paid this outstanding debt in tranches. Two of the tranches were paid by the PNM Government, this is the last one. The Leader of the Opposition is aware of this, he was part of the tripartite agreement, also Dr. Rowley, the Minister, and Mr. Rudder the representative, signed it. Maybe they did not remember, but to accuse the Prime Minister of the country of practising nepotism and these things, is unfair to him.

You see, I have my own grouse too, in my own union I have judgments at the Industrial Court which they refused to honour, refused to implement. Mr. President, I expect an apology. I expect them to withdraw that and to assure the Caroni (1975) Limited workers that they would have no problems getting what is due to them, that they decided to honour and they paid part of it by paying two of

the tranches. In 1996 the last tranche is due and the Government of national unity is providing it.

I repeat my congratulations to the hon. Minister of Finance and to our Government—

Sen. Mohammed: Will the hon. Senator please say whether or not he is aware of the Agricultural Sector Loan and the fact that one of the conditionalities attached to that loan is that there has to be a reduction of the labour force at Caroni (1975) Limited, or at least a speeding-up of that programme?

Sen. S. John: Many people are not aware of many things. I am not aware. *[Laughter]*

Mr. President, I repeat my congratulations to the hon. Minister of Finance and to our Government for its first budget and to confirm the support and cooperation of the National Trade Union Centre and the entire labour movement for a positive start for this era. We expect that there would be a continuing effort on the part of all of us, whether we are in Government or in Opposition or a part of the country, to ensure that we see a change, that we see progress and that 1996 would be a different year from what we had been accustomed, a year that everybody would feel encouraged to make a step forward for the betterment of the country.

I thank you, Mr. President.

Sen. Deborah Moore-Miggins: I thank you very much, Mr. President, for giving me and Tobago this opportunity, to address this honourable Senate and to perhaps set the record straight to many of the distortions, and misconceptions that have been peddled to hon. Members in the interest of Tobago in this matter.

Before I do so, Sir, I must extend to you, best wishes from that part of the country that this Government represents so ably here today, unprecedentedly I should say, and to wish you continued health and strength to keep the balance among us as we pursue the nation's interest.

We on this side are also very grateful to Sen. Dr. Mc Kenzie for her very sterling contribution to this debate, and to my colleague Sen. Moore, and we are also grateful to Sen. London for his contribution. *[Laughter and desk thumping]*

Sen. Dr. Mc Kenzie enjoys a great level of respect in Tobago as an educator, a social worker, indefatigable, I should say. She is into culture and a series of

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things and many people use her as a role model, especially young women like myself.

Sen. London is also respected, he was very respected in the field of education and on November 26, he went to bed as one of the best school principals in this country and in the words of Sen. Marshall, he re-engineered himself that by November 27, he found himself on a side with the biggest beggars in this country. *[Desk thumping and laughter]* He is saying that Tobagonians do not beg and for the life of me I cannot yet work out how he found himself on that side.

We have been begging Sen. Dr. Mc Kenzie to make her presence felt in the Assembly. She has given some very bitter and biting comments as to what prevails there. Up to November 26, I had been begging Sen. London to also make his presence felt there but, apparently other persons got to his ear and he is here today purporting to represent the interest of Tobago.

Mr. President, no budget, no matter how well intentioned, can please all the people. Every year we get these platitudes from all our debaters who recognize that budgets are by their very nature, going to generate some measure of dissatisfaction among several communities and interest groups in our country. Yet, they themselves proceed to forget that very noble statement and proceed to impose or inflict some of the most scathing criticisms on these budgets. And, perhaps it is understandable because they represent interest areas, but a government, from its vantage point of straddling all these competing interests, has got to make decisions that it feels are in the best interest of the whole. So when we come and stand here, we must always remember that.

6.00 p.m.

Perhaps, I need to enumerate for the purpose of this Senate if only to remind us of some of the various competing and incompatible interest groups or areas that budgets must cater to. Our national resources must be divided among manufacturers as opposed to farmers and consumers; supermarkets and consumers; supermarkets and churches; churches and churches; big business, small business; rich, poor; men, women; children, adults; Tobago, Trinidad; UNC areas, PNM areas, NAR areas; criminals, victims; trade unions, employers; public servants against the rest.

These are all the people and the claims in that cauldron, fighting for their own space, fighting for their share of the cake, and Government must now take a dispassionate view, bring itself out of the *melée* and decide, in that holistic

manner that governments must do, how to allocate among all these interests the limited resources of the country.

Mr. President, the key element that ought to come out of such budgets is not an attempt to please everyone because we have already agreed that is impossible, but an attempt to so balance the competing interests that at the end of the day no one will feel unnecessarily or deliberately discriminated against. That is the test of the budget. We must trust our government to so distribute those resources that when we are finished people must say, "Even if I had to give up this, I am satisfied." And, coming from the Independent and non-aligned Benches is that type of acclamation, support for the budget, which has been put before this Senate.

Budgets also have another very important function and that is to redress the imbalances which have been created by previous budgets. We have had in this country 33 different budgets, or a little more because sometimes they were brought twice in one year or fresh budgets were made, from one administration which has run this country for 33 years and 10 months put together. There was one spell of five years when the NAR formed the government. But 33 budgets have been presented by one administration for this country.

It has been the our contention on this side for these 33 years that those budgets have created inequities, perpetuated imbalances, discriminated against certain elements in our society.

Hon. Senators: Sure! [*Desk thumping*]

Sen. D. Moore-Miggins: This election has been won on this side postulating that argument. The people bought that argument, that is why we are here today.

The role of this budget that we have presented is, as I said, to maintain the balance between the competing interests but also to introduce that element of redressing previous inequities, and we must not forget that.

Having stated that, may I say that dissatisfaction will arise. The Tobago House of Assembly is dissatisfied and it has expressed its dissatisfaction publicly. The Manufacturers' Association was dissatisfied and it also expressed its dissatisfaction. Also, the credit unions, the women. I was speaking to a women's group representative yesterday who felt very pleased about the removal of VAT but she was expressing dissatisfaction to the effect that she has gone to the supermarket and she has not seen translated there the effects of such removal, so

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she, herself, is dissatisfied. Dissatisfaction prevails, but there is by and large a level of acceptability of this budget that I have never witnessed before. [*Desk thumping*] That is why I congratulate the Minister of Finance, because I think he has done an excellent job.

I want to talk a little more about the trust of which I spoke; the trust among various constituents in our society; the trust of a government. The PNM could talk until the cows come home but until they realize that the element of trust is what is missing in their operations, that their *modus operandi*, especially in relation to Tobago, has generated great distrust, they would sit right where they are. You see, trust is not about \$1 million you know! Trust makes the difference, and that is why we are here.

Mr. President, you have heard talk about a silver-haired knight. We in Tobago can tell you about a silver-tongued stepfather of the nation. We can tell you about glibness, sweet talk, mammaguy, inducements, blandishments, hysteric emotionalism, appeals to anti Caroni (1975) Limited sentiments, and prejudices. We can tell you about these things.

Sen. Daly tells you about recognizing the parasitic oligarchy. We can recognize that silver tongue wherever it passes, because we have been at the receiving end. It leaves damage, destruction, confusion, disunity and divisiveness in its wake when it passes through.

Mr. President, I refer you to today's *Guardian*, January 24, 1996—the very point I am making—where it states:

“3 ex-Ministers: PNM needs rescue mission”

I just want to read a little statement where Mr. Kamaluddin Mohammed, of all persons, says:

“Today I feel a little sad that the PNM is plagued with internal problems of a kind never faced before.

He said current differences inside the party are dividing the real membership of the PNM.”

You see that word “dividing”, Sir, it is a very key word and I will illustrate to you how the *modus operandi* of a certain group of people has today resulted in Tobago saying, “Eh, eh, you can give us all the \$1 million extra you said you

would have given us if you were there but we are prepared to accept \$1 million less and to feel some measure of trust in those who are governing.” *[Applause]*

6.10 p.m.

Mr. President, you know what is ironic about this whole thing? I have sat here and listened to Sen. London do some good punch work on the Members for Tobago in the Cabinet—body blows, heart, body, soul. We have heard it. But you know what, Mr. President, he has enjoyed a luxury which I could never have enjoyed when his administration was in power. I will tell you what it is. When his administration was in power, not one Member for Tobago sat in his Cabinet. *[Desk thumping]* If I wanted to come here and throw some body blows, I had nobody I could throw them on. You heard him say that his Members embarrassed him? I could not even say that because I had none in the Cabinet of Trinidad and Tobago. *[Senator attempts to rise]* Let him get up if he wants. *[Laughter]*

Sen. London: On a point of correction, Mr. President, I never at any time in my discourse mentioned anything about Tobago Members embarrassing me.

Sen. D. Moore-Miggins: Mr. President, I will not trade words with Sen. London on what he said. My notes, and *Hansard* could bear me out, show the words “embarrassment”, and “in relation to the fact that the Members for Tobago sat in the Cabinet and did not achieve for Tobago more money than the PNM would have given them”. He said somebody was embarrassed. Now I am saying that that was a luxury that I could not have afforded to state, because I would not have had any Member in that Cabinet to say that about. The people of Tobago have walked the streets of Scarborough, Roxborough, Castara, Moriah, for successive terms under their regime, without having a Member they could go to and say, “but gyul how come you ain’ get some money for us out of Cabinet? How you siddong in Cabinet and cyah’ get for us X and Y?” That is what Tobago has operated under, under their representation, and, Mr. President, most respectfully, they do not seem to understand that people need representation. They need to hear their voices influencing power. They may be living far from the centres of power, but they need mechanisms by which they can have their say in the direction of this country. Simple. It is not one million, or ten million dollars. It is just respect; it is dignity, and if they do not understand that, Mr. President, they may as well sit down and say nothing when they come to this House to face a Government that does. *[Desk thumping]*

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You see, Mr. President, this Government has sat opposite there for some 33 years, and watched the PNM administration breaking faith, budget after budget, first with the people of Tobago, and now with people of their own constituencies in Trinidad. We have sat and watched it occur and occur, and we are making a pledge to the people of Tobago and Trinidad that we have learned from that sad and fatal mistake. [*Desk thumping*]

Mr. President, Sen. London has provided us with a perfect demonstration as to why the people of Tobago have withdrawn their trust in the last Government; and I am going to take you through about eight different reasons why he has demonstrated that to this House. The first is his use of a perfectly innocent document. Those poor people in the Planning Division, if they only knew that their document could have been so distorted, so used to promote and perpetuate—I would say fallacious reasoning—I would not say the other word that I want to use. If they knew their statistics would have been used to support such misinformation, “they woulda hold they head and bawl” as we would say in Tobago.

There is a professor who used to talk about statistics, and in euphemistic terms he said, they are only lies, damn lies and statistics. What we saw here is a perfect example of what he was speaking about. Sir, you would not believe that it is from this document that Sen. London quoted to show that the Tobago House of Assembly had received such money less—\$1 million I think he said—than what they were given last year. This document he was quoting from also showed from 1991—1996 the total picture of the allocations to the Tobago House of Assembly. You would not have believed that, when he just snatched this one statistic relating to 1995, and paraded himself before this honourable House in support of his argument that “We so good to all you, and all you gone over there, and watch what all you get”.

In 1991, excuse me, Sir, that was when the NAR regime was in power, this document shows on page 6—I am referring to the very document put out by the Planning Division of the Tobago House of Assembly, and I want to say how the THA has gone a step ahead of even this Government—declassifying information and giving the Opposition so that they could come here and use it—freedom of information! [*Desk thumping*] You see how big and magnanimous we are in Tobago? We were always known for our generous spirit, Sir.

So we handed him this document in all honesty and we expected, as lawyers would have to do if they were in court, that they would bring what is favourable

to their side and what is favourable to the other side. But that is not what he does. He comes and quotes to us that in 1995, the THA got \$45 million. In 1996, we were given \$43 million. But let me tell you, Mr. President, in 1991 the National Alliance for Reconstruction allocated to the Tobago House of Assembly \$91,000. It was 9.3 per cent of the total national allocation. In fact, that is the highest we have ever got. [*Interruption*] \$91 million, I am sorry. That is correct. In 1992, that was when their regime came in and when the silver-tongued stepfather came to Tobago and said he wanted peace and love, and he asked Tobago to tell him what we wanted and he would give it all. The usual way. A THA election was scheduled for that same year. Note the *modus operandi*. Anytime an election is due, note how the allocations go up. In 1992 he came and we got 9.2 per cent of the national allocation, which was \$58 million. In 1993 it dropped. There was no election around the corner, because we had voted them out in 1992. We did not take him on. He gave us the \$58 million, we still did not take the bait. “We vote him out, so 3.8 per cent was the allocation”. In 1994, it was 1.8 per cent.

Hon. Senator: Oh my!

Sen. D. Moore-Miggins: Shame! But in 1995 when he knew he was calling the election—he told the nation that. When the election was about to come, that is the one my Friend relies on, the allocation was 3.5 per cent. The allocation increased! It was to bribe! And what we are not told is that in 1992, that \$42 million we were given actually amounted to 4.1 per cent, which was even higher, in terms of percentage, than what was given to us under the last regime. There is a saying, you know, Mr. President—

SITTING OF THE SENATE

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I would like to move that the Senate continue sitting until the conclusion of this debate.

Question put and agreed to.

6.20 p.m.

APPROPRIATION BILL (BUDGET)

Sen. D. Moore-Miggins: Much obliged, Sir.

I am saying, most respectfully, I have no problem with my Friend quoting statistics, but when he does so, quote them with integrity. Let hon. Members

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understand all the sides and let us draw our conclusions from that, because there is a very nice saying—not that I am calling him a devil, please, Sir, but the saying goes that “even the devil could quote scripture to achieve his own purpose”. Born again politicians can also do so. So that was my first point as to why we are saying we, in Tobago, feel comfortable where we are, irrespective of your \$1 million more.

My second point has to do with political amnesia and it is going to come out several times, because people forget, and that is really the moral of the story. We were told by the goodly Senator about culture. Suddenly the PNM administration knows about culture in Tobago. If I stand up here to tell you of the PNM's treatment of our request for cultural advancement in this country, it would bring tears to some of our eyes. So he is telling us, not a cent for culture. As one Senator hurriedly came to me, and said, "who does he think he is fooling; we know his leader"—or is there a leader? I am sorry; which one?—"we know his propensity to release funds in the election year." It was drawn to my attention—and I am grateful to that Senator—in the *Draft Estimates of Development Programme* for the year 1996 at page 16, where in the year 1994, not a cent for culture either in Tobago—nothing—but in 1995 when the election is coming around, you stick a little thing, and then now in 1996, you come and say, our Government has given not a cent for culture.

Does he not understand that we have the documents here and we are watching the trends? He cannot just extract one year and try to come and hoodwink hon. Senators who understand the *modus operandi* of his group. That is what I want us to see. It was no accident that in 1995 we were given this kind of allocation; it was an election year, and we, in the aftermath of an election, have come close to their election best, \$1 million short of what they were giving in their election year. Think of what it would be when election comes around for us. [*Desk thumping*]

Mr. President, you will think that the need for a culture centre in Tobago that we have heard championed by Sen. London arose two months ago when this Government took power. That is my problem with those on the other side. Tobago has, for years, been crying out: “We do not have a place where we can showpiece our culture”. This would tie in very much with what Sen. Teelucksingh said this morning about developing rural areas, and I am going to show the trend in a minute in relation to that library project.

This is not the first time that we have been asking, putting up in estimates time and again for a culture centre. But suddenly because it was not granted this year it is seized upon and pointed as the fact that this Government has abandoned, or misled, or whatever is the word, Tobago.

Hansard and the records of the Tobago House of Assembly are littered with protests, expressions of dissatisfaction by the Assembly as to allocations. In this very document to which my Friend referred is a very graphic graph on page 7 which shows the relationship of what was asked for and what was given. 1994 happens to be the most dramatic, because the graph goes right up to the heavens, like the giant that we heard referred to this morning, and what was given, down there, like the dwarf. It is here. And over the years the picture has been the same. We have asked for \$1 billion, yet after the Government takes into consideration several things, we do not get that we get much less. So the THA must express dissatisfaction. It does not begin with this document. Dissatisfaction has been expressed over the years by the Assembly and it is recorded in the other place. Our two representatives have spoken *ad nauseam* as to their dissatisfaction on several budgetary measures relating to the Assembly. So what is new? In two months my Friend comes here and tries to tell this House—there is a word to express that but it would be unparliamentary, Sir, so I would not.

We have seen subterfuge by their side to emasculate the Assembly. I have read *Hansard* when the debate as to setting up the Motion for internal self-government was going on in the other place, and the ridicule—in fact, the present Prime Minister and Mr. Raffique Shah who was on the Opposition then, had to comment several times about the flippancy with which their side greeted the legitimate complaints of the people of Tobago. They were making a joke of it; they were ridiculing our efforts. Over the years they have used that Act; they have interpreted it restrictively; they have withheld releases; they have done all sorts of things to pressure the people of Tobago.

Recently you heard about the calamity with the link road which my Friend tried to rise yesterday, but he himself could not articulate his point clearly so he was pulled back down by colleagues. Whatever is the explanation, the perception is among the people of Tobago—and it has not been cleared up as yet by the other side—that \$113 million, which was allocated to build a road in Tobago was diverted by the then administration and spent in Trinidad and not one cent of it was spent on any road in Tobago. That is the perception. I do not care; they could talk whole day. That is what the whole of Tobago feels. And you come here and

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talk about \$1 million. After \$113 million just slipped away like that, you come and talk about \$1 million!

But that is not all. The Minister of Sport and Youth Affairs whose body he seems to admire so much—or is it her heart? He admires her heart but he says her body is in the wrong place. She, in the other place, gave a very telling discourse as to the inequitable allocation of Government funding over the years at the expense of Tobago. This is what I was speaking about in terms of redressing imbalances. She spoke about indoor-sports halls. I am reading from her presentation in the House. It is entitled: Minister of Sport and Youth Affairs, 1996 Budget Presentation. I am at page 5. She is saying:

"In terms of sporting facilities, a grant of \$2.0 million ECUs under LOME IV was received by the former government from the EEC for the establishment of sporting facilities within Trinidad and Tobago. I repeat, the funding was a grant given to the Government for the people of Trinidad and Tobago. But the caring PNM Government concentrated all the new facilities in Trinidad and absolutely no consideration was given to the needs of the people of Tobago.

I have advocated and will continue to insist that any grants received by the Government for the people of Trinidad and Tobago, a certain percentage must be allocated to Tobago."

Is this unfair? Are we not Trinidad and Tobago? Can somebody help me in this? She continues:

"Let me continue to share with you my findings on the four indoor sport halls. They were for Tacarigua, Chaguanas, Pleasantville and Point Fortin. All were started in 1995, except for Chaguanas. It is now left for this administration to begin construction in 1996."

What does that say? That is what I am talking about, redressing imbalances. She goes on:

"Further, in October 1995, just about two or three weeks before the election the last government agreed to the construction of two 25-meter swimming pools, with associated facilities...at La Horquetta and Maloney."

In the same constituency you have two. We are not saying bring one in Tobago, but you are putting the two in the same constituency in this big place where you have people all about. So they do not want to swim too? That is the history of this Government.

6.30 p.m.

The hon. Minister went on to talk about the stadium as being a big sports showpiece. What do we in Tobago have? We have heard talk about the John S. Donaldson Technical Institute, and we have heard Sen. Dr. Mc Kenzie speak about our children and young people having to leave their mothers' homes in Tobago to come to Trinidad to access that kind of training. I am saying that proper planning and budgeting would have dictated that since we have two islands separated by sea, when a technical vocational school is placed in Trinidad, at least a scaled down version should be located in Tobago to meet the needs of the people there. [*Desk thumping*] Simple!

Police headquarters: We have heard talk that the National Library Complex is going to have terminals to feed information to all different places. If that facility is needed anywhere, it would be at police headquarters. I would tell you why.

When prisoners are brought to court in Tobago from any outlying district, one needs to know what their records are; and whether they have been previously convicted. In Tobago the matter has to be adjourned a couple of times until one can manually or physically send to Trinidad to find out whether they have previous convictions. That is something one should be able to get by just tapping the name of the prisoner into a computer. Police stations need this more than anything else. We do not have it there.

What tells us that when this National Library Complex is constructed—positioned in Port of Spain, we in Tobago with our little "put put" library that does not even have a proper computer—Tobago would be able to access this great information? Is it going to be another showpiece, or is it really intended to have our young people throughout the length and breadth of this country draw from the facilities?

I associate myself with the remarks made by Sen. Rev. Teelucksingh on this matter. Let us spread it out so that my children would not need to come from Tobago to access the library facilities.

I read yesterday—I do not have it here with me today—a proposal done three or four years ago in relation to the library which said that it was intended to replace the Central, Port of Spain and Carnegie Libraries. I did not see anything in that proposal which said that it was going to feed into other small libraries that already existed. I am saying that is an oversight. That is why we cannot just sit

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and have a building like that constructed without proper information as to exactly how these smaller communities would actually benefit.

Then, I am saying that in this age of information one does not really need large spaces. The information in 20,000 books can be virtually compacted. Where one would have needed a large hall to store those books, all that information can now be compressed into one little disk. Perhaps, we really need to look at the thing again to see whether we need this large gigantic thing for the functional purpose of storing information in the 21st Century. We had some large computers about 10 years ago but now it is the very small one that has the same information. There is also internet. We may not even need a library in the next five years. Have we considered that? Thank God this Government is here! [*Desk thumping*]

Mr. President, I am going back to Sen. London's contribution because I think I need to do justice to the Tobago House of Assembly. Sen. London skimmed over information which told us that under recurrent expenditure, the Tobago House of Assembly was allocated much more money; \$35 million. I think he said it and I give him credit for saying it; but I think he said that was for personnel expenditure. Do not take that on. He dismissed it with a wave of his finger.

I guess he was not given this document *An analysis of Draft Estimates 1996* in which the hard-working officers of the Tobago House of Assembly did acknowledge that a portion of that money went to personnel expenditure. They did say that, but what Sen. London did not share, if he had that information—I would be generous to him and say, perhaps, he did not have it. May I say this is why, in the wisdom of this Government, it felt it was necessary to appoint two persons close to the Tobago House of Assembly to fairly, accurately and truthfully represent the interest of the Assembly. Otherwise we dead!

Mr. President, in this document we are seeing that some \$8 million was allocated in addition to goods and services to the Tobago House of Assembly. One cannot flick that away; \$8 million in the life of Tobago is great. One cannot point to accounts like this and flick them away with one's little finger. If one sees the breakdown to which that \$8 million would be applied, it is very impressive.

Why did the Senator not tell us about this? The people of the Tobago House of Assembly are happy with that increase. Included in this allocation are funds for the Tobago Heritage Festival, provided to meet the cost of staging this event, which has been raised from \$180,000 last year to \$500,000. Does that not say something?

Mr. President, if my time was not running out I would have gone through the various areas, word for word, where increases of hundreds of thousands of dollars have been made to Tobago under the recurrent expenditure. All this information was withheld from this honourable Senate.

Even the document from which the Senator was quoting so extensively carries information which he could have also brought to this honourable Senate, where the hard-working officers in the Assembly were saying that they were satisfied with the funding for Studley Park Quarry; Sandy Hall Extension; construction of main stores at Ministry of Works; construction of the Scarborough Magistrate's Court.

Mr. President, I am from Tobago, I would like to get all the money we ask for, but we cannot do it so. Somebody else has to get some. Next year there would be a big expenditure for the hospital in Tobago, and mark my words, the divisive elements would start to work. One is going to hear—I am going to accuse them of it now—coming from the other side to those “library people”, “All yuh money going Tobago to build hospital”. Wait and see.

That was the way they created the biggest disunity between Trinidad and Tobago in the era of the NAR when they went around telling people in Trinidad, “All yuh money going Tobago to build a deep water harbour”. I never felt so much hostility coming from Trinidadians until that time when that rumour was deliberately started by the hierarchy of that group on the other side. They would tell the people that; wait and see. One would see how they would use that piece of information. One sees how they have already started to put people against Caroni (1975) Limited.

We heard Sen. John speak about the disunity? They are saying that the Government did not give all the money because the money going to Caroni. These people are dangerous, vindictive and mischievous.

Mr. President, I could go on all night, but I know my time is very limited. One of the greatest flaws in Sen. London's argument is yet another reason why the people of Tobago, as they say in local parlance, “spit them out”. After he had spoken, one would have got the impression that the sum total of Tobago's benefit under the budget was found in what was allocated to the Assembly. I am sure hon. Senators got that impression. The Government gave \$200,000 and that is for Tobago.

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That is how Sen. London's administration approached the issue of Tobago. They have imposed virtual secessions on us all the time. From the time Tobago is given that money—and unless it could fit into the revised estimates—and we are given a little more, they done with that. That is the mindset that is coming out. I am surprised that my Friend did not seem to analyse the budget to see how the budgetary measures that do not pertain strictly to the Tobago House of Assembly affected the average man on the Claude Noel Highway in Tobago. That is what one has to do. The budget does not end with the Tobago House of Assembly's allocations. This is a nation of Trinidad and Tobago. Let us not forget it.

6.40 p.m.

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. W. Mark*]

Question put and agreed to

Sen. D. Moore-Miggins: I am very grateful to you, Sir, and to my hon. colleagues. That is the greatest flaw in his arguments; we must always remember that Tobago must form an integral part of this nation. These measures carry very strong provisions that will relieve the lot and the suffering of many people in Tobago. There are poor people there too! The VAT is removed and that affects a sizeable portion of Tobago, but not only that, when you talk about open skies, and how it affects Tobago, do you know it has opened for the people of Tobago in terms of prospects, economic benefits and so forth? They would not understand.

My contention is that it was his administration that closed the skies. We had been operating under BWIA and we protested and quarrelled. We said BWIA was a monopoly and had to go. The NAR administration, to its credit, invited tenders, in our understanding, with a view to demonopolizing the control BWIA had on the route. It awarded a contract to a certain person by decision. At that point the NAR Government was thrown out. They were told that all their money was being spent in Tobago, so Trinidad voted them out. The new administration came in and wrote a letter to the person who won the award and when the people of Tobago caught themselves BWIA had gone and the new man was saying that the letter he got was a contract and it told him that he alone was to operate the route. So BWIA gone and we in this “put put” aeroplane going—over 25 minutes it took when BWIA used to transport us to and fro in 12 minutes.

Mr. President, I do not think we understand the feeling a Tobagonian gets when at 9.00 o'clock in the night he wants to come to Trinidad, or he wants to return home from Trinidad, and BWIA is flying but because of this new arrangement you are told it is not transporting domestic passengers. Our tax money that BWIA is throwing away every day and we in Tobago are supporting. The plane just goes. One just sees this plane take off and you would be left sitting down at the airport and cannot fly on your own airline because there were some other arrangements that said you are only entitled to a small plane. That is why the Senator did not make any mention to this "open skies" because he knows what his administration is guilty of.

Look at the provision for tourism projects. Does the Senator not understand that tourism projects have opened up again a whole vista of opportunities for young Tobago people? It is not only bed and breakfast. Those girls who braid the tourists' hair on the beach, do you know how much they charge? It is \$20.00 a braid, and they are putting about 100 braids in one tourist's head. I would argue that that is a tourism project. The boys with the craft, the people in agriculture. That is what the Senator should be using his brilliant mind for.

What can I find to make it fall into the category of a tourism project? Then, what about the measures for women? I did not hear anyone speak about that. I am so impressed by that and I think we ought to give ourselves a pat on our backs for that. Women in maternity positions have been discriminated against. Sometimes, they work in conditions that do not allow them to have babies; sometimes the agreement made by those unions allow them two babies and no more. Now there is a Government that is willing to say any time you want to make your baby your employers must give you that time off. [*Desk thumping*] How could my Friend just miss that? That is Tobago women too.

What about the standardization of text books? He was in the schools. Sen. Mohammed talked about her husband. Let her wait until she has three babies and she has to buy books, all different kinds of books every year for these three or four children. She is talking about herself and her husband. She will be glad for this Government with standardization. [*Desk thumping*]

Mr. President, I go down the line. That budget has so many measures to relieve Tobago. My Friend seemed to have dismissed them. Look at the exemption from tax on rental incomes. That is marvelous. I have not heard anyone speak about it, mainly because the Minister of Finance says that the PNM administration proposed to remove it this year. We are saying we are not going to

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remove it until we review the Rent Control Act. That Rent Control Act is a piece of archaism, it was passed around. One has to review that. When the people in Tobago build their houses there is a room that they use for rentals, sometimes short term, sometimes long term. The exemption was removed on that, as they had planned to do, and we were left in the cold. Not a word about that.

I must talk about the hospital because my Friend said we were crowing about this \$1 million which is going to provide for the design of the hospital. Oh, how little my Friend understands the constituency he represents!

When I was appointed everybody who met me would say, "Deborah, bring back a hospital for Tobago, please. That is all we want." They said the other things are frills, just bring a hospital. You would not imagine the indignity to which we in Tobago are subjected by having to be airlifted in a helicopter to come to Trinidad to access medical services. Mount Hope is there, a typical big structure, built in Trinidad and none in Tobago. Tourists come and when they get sick, they have to be crumpled up in a helicopter to bring them to Trinidad. Is that not undignified treatment? What is that? And my Friend said that is what we are crowing about, this hospital. He has trivialized what is the greatest experience that I have received out of that budget. That \$1 million for me is the greatest benefit that I, and I dare say many people of Tobago have received. [*Desk thumping*] He does not understand, Sir.

Mr. President, there are many more matters but I need to talk about; one small element, the process of decentralization or improved autonomy for Tobago that is taking place. It is a marvelous process and it is aimed, at the end of the day, at delivering in Tobago services which we have had to come to Trinidad to access over the past umpteen years, as my grandmother would say.

There was a document prepared by a Cabinet-appointed group in 1995 by their regime. In fact, they started to bring autonomy to Tobago without understanding that our greatest need was for decentralizing services. In this document it named about 50 different services for which the people of Tobago have to travel to Trinidad every time they need to access them. It is a document that would bleed one's heart. Notwithstanding the report that was presented since March 1995, his Government did not one thing about it. We immediately appointed a committee that would take care of decentralizing many of those services insofar as they apply to Tobago. That is going to reduce the cost. It is going to make Tobago such a nicer place to live, and perhaps, it is going to bring in more foreigners.

To respond to Sen. Mc Kenzie, this Government will do something about those foreign sales. To defend the Assembly a bit, they have, since 1992, made definite recommendations to the government as to what should happen in those foreign sales issues, but it was those on the other side in government so nothing was done about those recommendations which were made. This Government is going to address that.

Mr. President, this debate has drawn out so many issues about Tobago. I do not think another debate has generated the amount of discussion on Tobago as this one has. It is great, it is because we have representatives who can speak.

6.50 p.m.

Sen. Daly spoke about the democratic processes. The democratic processes have put the NAR and the UNC together in a warm embrace. You have heard a *tabanca* swansong being delivered here by the hon. Senator on the other side who was only saying, “why yuh didn’t come by we? Yuh go by dem.” [*Laughter*] *Tabanca* down de line! We feel comfortable. We feel that perhaps history has dictated that after 100 years of unity with Trinidad which will be in 1998, that perhaps we ought to go forward in the 21st Century with a partner who understands, respects and is prepared to let Tobago have its space. That is all we want. We will haggle about the money. We will have that. We will understand. We will fight. We will be dissatisfied. We will have our quarrels. Our experience with the other side has been devastating, so leave us alone. “We good whey we dey!” [*Laughter and desk thumping*]

Thank you.

Sen. Vernon Gilbert: Mr. President, as others did today and the previous two days, let me congratulate you on your ascendancy to President and at the same time wish you a happy New Year. I cannot leave out my fellow Senators by not wishing them a happy New Year for 1996.

Before I go into my presentation, I thought we had a truncation of Parliament in that it appeared to be a duel between two Tobagonian groups. If I effectively vacate the Parliament you may find that with the three Senators, two being elected Members of Parliament, we might be right back in a 17-17 situation.

Without much ado I also congratulate the hon. Ministers in the Senate who made their contributions in the Lower House, particularly the Minister of Finance who was able to weather the barrage of criticisms since making his presentation.

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Whilst I am making my comments it is my intention to be constructive as much as possible. I must say that in the short time that I have served in this Senate and attended the sittings on this debate in the Lower House, I saw the quick conversion of a few Senators on the Government's side from technocrats to politicians.

I find it difficult to comprehend why after being in opposition for more than 20 years and in government for five years, this coalition Government could not have had a master plan for running this country. We seem to have a follow fashion Government, one that has fiddled with the numbers and plans of the former government. I am sure Sen. Mark with his expertise would have been able to make a more viable contribution in the budgeting process. As has been said by previous Senators during the last three days, some how the present Government did not expect to be in power and as such they had to quickly put a budget in place. I have to compliment the Minister of Finance for having taken probably six or eight weeks to compile a budget which was delivered in 65 minutes.

They said that the budget was a poor man's one. Notice I say "was" for I believe at this time the budget has lost its impact. I consider this budget to be love at first sight. As you may be aware, few love at first sight arrangements ever work out. They are often described as quick picks whereby the majority lose and only a few benefit. For that matter hardly any one wins. I have heard the budget being described in words such as poor man's budget on the first day, and soon after in words such as floppy, deceptive, disjointed, hoax and *ad hoc*.

In the Minister's contribution in the areas I am about to cover he made claims when he was describing the PNM's performance on investment projects, that quite a number of them were good with some bad. When I listened for the word ugly, I heard bad. I would have been taken aback if I had heard the word ugly since sometimes talk can be cheap, but on such an occasion to describe projects as bad could be an insult to many of the technocrats who made valuable contributions on these projects, and who now continue to serve valiantly and with new vigour as expressed by the different Ministers in their presentations.

In the business of management and certainly government one has to be very tactful and at all times be ruled by the heart. In this whole question of budgeting I look at the process just as managing. We have a Prime Minister and a number of ministries and there is jockeying for positions. At the same point in time there is a situation with earners and burners. The earners can be described as the petroleum

and sugar industries and heavy manufacturing. The burners are areas like works, education and others.

If you look at the process in some more detail you will also be able to cut Trinidad and Tobago in perhaps four pieces, South, Central, North and Tobago. This is why I am so surprised at the Government in not being able to have a budgeting process in place. Remember at one time the Minister of Finance used to be on this side. Having to recruit him he would have had to adapt himself to the behavioural patterns of the present Government.

I am going to make another point on the question of budgeting, revenue earning and expenditure. We continue to talk about this whole question of making funds available for unemployment and the mechanism for collecting tax. Collecting tax is not really the issue. I think this might surprise quite a number of persons. It is the management of a key area in what I described, the tenders and contract system in expenditure systems. Quite a number of contractors are awarded contracts and depending on how they make everything work they make significant profits. By so doing, if they distribute that profit properly, as a country we should realize a reduction in the unemployment situation. There are massive cost overruns and that can be avoided by having a properly designed tenders and contracts system.

I am sure the Minister of Finance would remember that about two weeks ago I asked him about the re-design of the public service. He made the point about the bureaucracy and the need to further educate persons in the public service on the whole question of tenders and contracts. I am sure if we look closely at the managing of tenders and contracts we can save quite a lot of money which can be used for the benefit of the unemployed.

I made the point about truncating Trinidad and Tobago into four pieces. I said that because in the 1970s when the oil price was US \$34 per barrel one would have seen how the present Opposition looked diligently at managing the country's funds. As a result there are always complaints that the PNM did not put enough facilities in Caroni, in Tobago or in Port of Spain. Look at the other side! The oil price is now \$13 or \$14, depending on whose oil you buy. The whole point is that one has to cut the coat to suit the cloth that one has.

7.00 p.m.

I will now comment on the Minister of Energy's contribution as he set out to support the effort of his Minister of Finance. This Minister let the cat out of the

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bag very early for it took me quite some time to appreciate what the Minister of Finance meant when he used the word “mad” in describing certain projects during his budget presentation. Yes, Mr. President, the Minister of Energy gave a very detailed presentation.

The Minister in his support for the revenue earning estimates made merry of various persons’ estimation of oil prices and also agreed that oil prices fluctuate depending on world supply and demand. But I would not be caught too much by this paper I am about to look at, *International Forecasters*:

“1986 oil slump returns in 1996”

The experts are claiming that chances are that the oil price is likely to slump to US \$9 or \$10 depending on demand. I would like our Minister of Energy to look squarely at the possibility of a reduction in oil price. At the same time he has to look at the recent strike in the oil belt and its effect on the expected production performance. I want to alert both the Minister of Finance and the Minister of Energy that there are serious doubts in the ability of the oil companies to return production in 1996 to pre-strike level, much more to make the annual production of 133,000 barrels per day as estimated in the budget. The Minister would have been on more solid ground had he used an average of say, 128,000 barrels per day, meaning a shortfall of 5,000 barrels per day, which, when multiplied by the various factors, result in a substantial loss of revenue.

The Ministers ought to be *au courant* with the issues at stake when mergers and restructurings are being implemented. Quite a number of our workers in the oil belt have become somewhat disenchanted and unstable and ultimately produce at much lower levels. Additionally, all the oil companies at this time are going through some form of reorganization, thereby enhancing the point that the achievement of 133,000 barrels per day is “pie in the sky”.

Our Minister of Energy also made heavy weather of the lease operatorship programme. The lease operatorship programme and the farm-out programme are viable projects. At the same time there is the situation of the bargaining bodies not supporting such ventures. I think it is an opportunity—and probably I will help the Minister of Finance in really balancing the budget—to increase the country’s production and probably to achieve the 133,000 barrels per day by making available to employees, retirees from the oil industry, children of the employees, participation in the lease operatorship exercise.

The employees have been asking for that opportunity and assuming there are 3,000 idle wells multiplied by 5 barrels of oil per day, there can be an additional 15,000 barrels of oil per day. I hope that our Minister of Energy will take the cue and get a hint of how he can balance his budget by working with the oil companies, the unions and the bargaining bodies in achieving that objective. I think a major benefit—I do not want to miss the point here—is creating employment and removing that unemployment bogey that exists in the South.

The Minister of Energy also made the point that no exploration had been done by the former regime. I want to advise our Minister that exploration of oil is not as simple as making the point. Exploration in today's oil business would only be pursued after oil companies repute themselves in a viable position. Since the downturn of oil prices, companies have been left with the burden of overmanned facilities, some which add value to the barrel and others that at this time do not even add value. In such a case these companies have had to readjust rather than lose money. The company that chose not to adapt has either gone out of business or continued to go downhill.

To illustrate that major exploration has to be planned, I want to remind the Minister that the recently concluded SBC (Southern Basin Consortium) effort is described as a major exploration effort. Some US \$115 million has been spent to date on this project and with only technical success. Notice I did not say financial success, for if I opt to categorize it, I might be tempted to say a mad one. In the oil business, risks are to be taken, success celebrated and failure accepted.

I want to assure Members of this Senate that within the 30 years of PNM rule, there could not have been better management of the energy portfolio. Full marks to the former managers in the oil companies, Ministry of Energy employees, oil workers and service companies, for efforts and contributions they can be proud about. Had it not been for such efforts we would not have had ISCOTT now ISPAT, Mount Hope Medical Complex and many more institutions. Unfortunately, during those years the public library did not join the list.

I want to give some indication on the now famous La Brea/Brighton project. At the end of November, 1995, expenditure ranged between \$68 million and \$71 million, committed funds are approximately \$107 million. To break down in order of merit:

Dredging for harbour facilities	\$28 million
Clogging and abandonment of wells	\$15 million—\$25 million
Site remediation works	\$15 million

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—and I am sure that Sen. Prof. Kenny will be pleased to hear that it is really for environmental protection services—

Infrastructure relocation	\$6 million
Corridor roads	\$6 million
Construction of dock facilities	\$3 million.

When one looks at these expenditures, immediately one sees La Brea/Brighton as a technical but not financial success and hence not a mad project. That project will generate significant employment facilities, be it sited at Point Fortin or La Brea. If one takes a drive right now to Otaheite where I live, or if one ventures to go to Point Fortin and travels through the area that is called the Creek—I am sure that the Minister of Works would have passed there last night and the night before—almost every night one passes, it is flooded. The former government, now in opposition, made viable effort towards restoring that road to use at high tide. What I am sure these projects would achieve is an enhancement of the roadway to Point Fortin.

7.10 p.m.

There are quite a number of benefits in that La Brea/Brighton project. That project does not only give one an opportunity for LNG, be it Point Fortin or La Brea; it provides an opportunity for use of natural gas; it provides an opportunity for running a major gas line, be it from Point Lisas to Point Fortin; it creates opportunities for employment and small businesses. I hope that this honourable Senate would appreciate why projects should not be described as “mad”, but should be described in the whole context.

I want to advise this Government that it is time to get on with the job. Stop criticizing and try to win investor confidence for Trinidad and Tobago, and by so doing, the La Brea/Brighton project will realise tangible investments other than the LNG project.

I now turn to the health sector. The Minister of Health in his support for the budget in another place and for his Minister of Finance, failed to be generous to the former regime. I do understand clearly that it is not the intention of this Government to make the PNM look good, but, Mr. President, I firmly believe that there is merit in giving “Jack his jacket”.

I heard the Minister of Education this morning and I thought I had a replica of the former Minister of Education’s plan for education. Nevertheless, we should

not argue that, but advise this Government to get on with the job. Most likely the reason for the two permanent secretaries not being a part of the “in crowd” these days is that the Minister of Education might feel a bit odd in having to come forward with something that was prepared by the former government.

The Minister of Health has chosen to criticise the PNM’s performance in one particular area, that is, the Arima District Hospital’s construction and the associated time and cost overruns. Notwithstanding this, this is what Arimians in August 1995 had to say about that facility. I quote:

“We are awaiting the facility which will be equipped with the latest technology. We are confident of a first class health service, when opened later this year.”

This facility will deal with true emergencies and is not designed for long-staying patients. This facility will provide for any major crisis that may occur at the Piarco International Airport. The residents of Arima were then anxiously awaiting the opening of this hospital and continue to wait. So I am appealing to the Minister of Health—and I am sure our fellow Senators of the Government will convey my sentiments—do not disappoint the Arimians.

Sen. John: Mr. President, is the Senator aware that they had to close down the hospital, I think, it was over two or three weekends, because of the lack of resources to keep it open?

Sen. V. Gilbert: I am aware, but not having details now I cannot respond appropriately.

As I continue on the health sector, I will touch on the health reform process. The Minister of Health was vague in his deliberations during his budget contribution. Please note, however, that the doctors do not see the regionalization process as the cure-all to the ills of the health care system, so said a former public relations officer of the Trinidad and Tobago Medical Association. Recognizing that the Minister of Health is a doctor, I would not comment further on the concerns of the doctors. I will, however, elaborate on one of the reforms initiated by the former regime, that is the question of decentralization of service delivery and management via the creation of five operationally autonomous and corporate regional health authorities.

These authorities assure the operation of primary, secondary and tertiary health care services. They are to operate in accordance with policy directives of the Ministry of Health and they have already started the hiring of their own staff.

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Talking from personal experience, it has been one year of involuntary effort that has seen improvements in the Sangre Grande Hospital, construction of the Mayaro District Hospital and hiring of a Chief Executive Officer, Human Resource Manager and Finance Manager. These physical and organizational improvements will, however, all come to nought if the Government does not continue our work and put in place the structure and systems that will make proper and effective use of the upgraded health centres, and of course, reducing the work load of our present Minister of Health, for example, having to deal with minute matters that should be managed by an organization when it is put in place.

The main rationale for the Ministry of Health's decision to decentralize the administration of the health services are as follows—Some Senators in this Senate would have heard all this but I need to inform new Senators:

- (1) To allow the services to be run by those on the spot who can see the problems and the opportunities for solutions.
- (2) To make the services more responsive to the consumer as those running the services will be closer to those consuming them.
- (3) To allow for flexible responses by managers including the shifting of resources from one area of activity to another within their overall budgets.
- (4) To place decision-making into the hands of the managers at all levels, involving them in their work, and for the first time, enabling them to see that effort and initiative get results.

Through the management of their budgets, staff will come to realise the connection between cost, results and value for money. One cannot doubt the fact that central planning and management have been partially discredited all over the world. Decentralization, bad regionalization efforts, in addition to providing for specialists at hospitals becoming part of, and providing services at health centres, give the opportunity for those specialists to rise to management positions. The existing structures or centralised system allow the professional, be it doctor or nurse, little or no opportunity towards rising into a management position.

I can assure this honourable Senate that the regionalization process will provide such opportunities for our professionals; doctors and nurses. I also want to assure the Government that the regionalizational process is well conceived, well thought out and has been accepted by the majority of our nurses, and within reasonable estimates, 30—40 per cent of our doctors. I must say, Mr. President,

that these persons see the need for changes in the health sector as is evident in the regionalization process. They see the need for the changes to result, both in better service for the public and in better conditions for staff—since the two are inexorably intertwined.

No amount of new hospitals can make a difference if the above conditions are not met. We hear about a new hospital for Tobago and I believe when I worked with other chairmen in the Regional Health Authorities, Tobago was earmarked to have a new hospital. I say no more. However, in the Minister of Health's contribution he made the point of a new hospital in Princes Town. I am not saying that Princes Town does not need a new hospital, but the Government should look at the options, for example, the travelling time from Moruga, the servicing in the areas of the oil belt and I am sure at the end of it, the Ministers of Health and Finance will see the need for, probably, an enlarged Mayaro Hospital.

I want to end my contribution by asking the Minister of Health and perhaps through the Minister of Finance who is present, a few salient questions:

- (1) Is it that the Minister of Finance did not review with the Minister of Health issues relating to health?

My concern is that VAT was taken off salt and salted butter and these are not medically recommended to be used in large quantities, as they contribute to high cholesterol which ultimately leads to hypertension. If the Minister of Finance did, is it that the Minister of Health condones the use of these foods among the poorer class thereby:

- (a) Creating opportunities for members of his profession in the areas of secondary and tertiary health care?
- (b) Paying lip-service to primary health care?
- (c) Is it really that only a few might have seen the budget? Surely our Prime Minister should show concern by objecting to the too much use of salt and salted butter.
- (d) Is there a tendency to ill-feed our young by giving credence to cheap food, rather than nutritious food by our School Feeding Programme?

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Mr. President, I now wish to apprise this honourable Senate and the wider community on the Opposition's position on WASA. The Opposition is of the view that as part of the thrust words, viability in water and waste water treatment, private sector participation was necessary to restructure, rehabilitate and improve performance. The impending dry season and the continued losses incurred both in financial and in line leaks made it even more urgent for outside fund injection into WASA considering the Government's inability to subsidize that facility. WASA's management at the time, recognizing the precarious position in terms of the unavailability of cash and in order to respond to a wave of protest actions that developed in areas of South and Central, chose to do the following:

1. Firm up discussions with Severn Trent/Wimpey.
2. Initiate a well rehabilitation programme considered a stop-gap measure by inviting local contractors with the required expertise to manage and produce wells in various parts of the country.

Today, we hear that this is the subject of investigation. At this time in the life of WASA going on a perceived witch-hunt under the guise of review or investigation, could be detrimental to the turnaround of WASA. For the benefit of the public and the poor the Opposition advises Government to get on with the job of providing water and on the side carry out its investigation. Note well, the PNM is not averse to the Government bringing to justice anyone delinquent of any misdemeanour.

The real problems facing WASA are:

1. The poor distribution of water caused by or due to clogged and corroded water lines. About 2,900 kilometres of water mains are corroded and clogged. Out of the 2,900 kilometres of lines WASA repaired only 100 kilometres last year. At this rate it will take 29 years. It is for this reason the PNM elected to accept bids and accelerate a contract with Severn Trent/Wimpey. To reiterate the point made on so many occasions, this deal with Severn Trent/Wimpey was to replace in the shortest time possible, with the least amount of expenditure, the extensive amount of severely corroded transmission lines and mains.
2. The impending dry season: As a short-term measure the commission piloted a well rehabilitation and ground water project which commenced in April 1994 and which sought to bring immediate relief

to the then concerns of residents of South and Central. The project is not only a strategic success but also operational and financial. Strategic in the sense that under the PNM, WASA had joined forces with a group of local contractors for the refurbishment of the wells. I understand that many of the persons who went on voluntary selective separation from WASA now work with these contractors.

This effort is somewhat similar to the lease operatorship and farm out of oil wells in Petrotrin, the state oil company, and a project very familiar to our Minister of Energy. Since the initiation of this project as at the end of October 1995 contracted annual ground water increased from 120,000m³/d or 26.5 mg/d to 196m³/4 or 43mg/d; an increase of 63 per cent.

The contracted ground water production capacity is 211m³/d hence the authority is now able to operate at 92 per cent of total contracted installed capacity. The money paid to the operators depends on the amount of water they produce and is likely to cost \$240 million over three years. The sum includes a cost for electrical power to be paid by the operators via WASA to T&TEC. The project is expected to realize to WASA a net positive benefit of \$18 million over three years and savings of \$26 million in labour cost, maintenance of buildings, grounds and well workovers.

In the Minister Extraordinaire's contribution to the budget debate, he stated that he and his Government favoured local entrepreneurs' participation in the business of state companies rather than the PNM's thrust in divestment of shares in these state enterprises to foreign investors. I guess that Minister would welcome PNM's strategy to pursue a hybridized approach to diversification as done at WASA.

Petrotrin, the state oil company, on the completion of the refinery upgrade, may also find it necessary to pursue a similar direction. Already this company is in league with local contractors in the leasing of wells and acreage at this point in time.

On the question of no disconnection of domestic customers from December 08, 1995 to March 31, 1996—is it that the date of local government elections was planned since the date of announcing that decree?

I want at this time to advise the new Government that it should change its tactics—*[Interruption]*

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Sen. Daly: Mr. President, I thank the Member for giving way, but the mention of elections with water has caused me to ask him whether he can tell us why the contract with Severn Trent was signed a few days before the general election was held—*[Laughter]*

Sen. V. Gilbert: Mr. President, probably I am not in a position to fully answer this question, but when it is dealt with it will be handled appropriately, I am sure. I want at this time to advise the new Government that it should change its tactics of scaring not only senior persons in the various ministries, but the population as a whole. I am referring to the perceived witch-hunt in the Ministry of Education, WASA and based on rumour, soon to be evident in Health.

Mr. President, I want to touch on some key hot buttons which cropped up during our debate; one is the extension of shopping hours. While I see this as a good thing I will not be surprised that within a year the process results in an increase in crime and a degradation in family life. Whilst it may be difficult to quantify in quick time I advise the Government to closely monitor this. The chances are that there would be a significant increase in consumption of alcohol beverages, and one does not have to describe the resulting effects and outcome. Mr. President, I heard one of the Independent Senators when Sen. Diana Mahabir-Wyatt made the point about having the men place their properties in their wives' names, I guess it might be a good opportunity to have that done because when these men consume too many drinks the chances are that they would be tempted to do something wrong.

Another area for the Government to concentrate on is non-oil small business. These have a high failure rate, especially if blended with poor management and training. Hence there is a dire need for the preparation of persons for small business ventures via a remodelling of present-day training to satisfy the needs and aspirations of budding entrepreneurs.

At this time I want to talk a bit on the question of employment. Mr. President, having heard so much on unemployment and relief for the poor; that the whole question of unemployment contributes to poverty, I would like to see our youths kept away from the streets, via proper parenting, as our Minister of Education elaborated on this morning. But a key opportunity is the extension of education life. By that I mean you move these students from primary school to secondary school and those who are good performers end up at university; those who are not, go to technical schools. But, please, I think the Government should consider it compulsory. What one finds, rather than these youths getting out in the streets

pretty early in life, they may be forced to continue educating themselves and be of service to the country in the near future. We cannot over-emphasize the need to retool, retrain, and deploy.

I heard Sen. Selwyn John make the point about retrenchment—or somebody asked on my side if there will be retrenchment in the Ministry of Agriculture. Those are the opportunities we have to face. If retrenchment is a possibility, there are opportunities we can take.

7.30 p.m.

Sen. John: That is not what I said. What I said was that the previous government retrenched and misplaced over 6,000 of my union members working for them in agriculture.

Sen. V. Gilbert: I heard you, Senator.

If I may continue, Mr. President, this morning someone asked about new technology and I think in the area of new technology, we need to look seriously at research and development. It is a vital area to look into especially in areas like Caroni and the food processing industry. Notice, I have not mentioned the oil industry because I feel, and as I explained earlier, when one looks at Trinidad; the South—oil, Central—sugar, North—other types of heavy earning projects, there is a need for us to look seriously at R&D in Caroni and the food processing industry.

May I now turn to a statement made by the Minister of Finance on the role of nationals abroad and that question of returning and taking the opportunities for bringing in their fancy cars. On that day when I heard the country's Minister of Finance, I felt a bit at odds on hearing that nationals who go abroad, did not contribute. Let me tell this Senate that I am aware of the benefits and contributions made by nationals when they go abroad. For many of the Members in this Senate, they have not understood, probably Tobago would, or Grenada would, and probably the other islands in the Caribbean where the nationals went abroad. They are the ones who are considered today, the breadbasket of those nations in those small countries, either in housing and development, or by supplying clothes or food for their relatives.

Whilst I understand that people can take advantage of a facility, I think we need to look at the symptoms of the problem and deal with it and just not willy-nilly criticize the whole situation of nationals abroad.

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I now wind up, Mr. President, by taking a serious look at the likelihood of industrial relations issues that can, or happened during 1996. Consider the \$90 million owing to the public servants as a possible industrial relations issue.

The Minister of Energy considers the oil industry in its restructuring and reorganizing process and the need to redeploy persons. I made mention of a potential retrenchment at Caroni (1975) Limited, and in fact, my fellow Senator made mention of it yesterday. We need to watch that closely.

The Minister of Works, made the point about the possible redeployment. Be careful! Redeployment is not that easy. We have had our experiences in the oil belt, in fact, I have had quite a lot of experience in that.

Training and development is very important to the process during the restructuring and reorganization of companies in order to reduce one's industrial relations problems. And earlier today, I asked Sen. Mark about the whole question of performance appraisals and one would have heard the problem with TTUTA and the permanent secretaries over this issue of performance appraisals. It sounds very easy, but it is not that easy. People do not like to be appraised. They like to be told good job, keep on with it, even when it is a bad job.

Another issue is the high unemployment and I have given some hints very early on how one manages tenders and contracts. There may be an opportunity there. Also, as the possibility exists that the oil price will drop or we will not achieve the 133,000 barrels per day, the chances are that our casual and temporary workers can be affected because you will have to cut the coat to suit the cloth that you have. Remember 20 per cent of this country's revenue depends on oil.

I have not said much about tourism, in fact, I have not said anything, but I want to advise that tourism is an opportunity for our country. I have seen it work in the Caribbean and it worked when those islands did not have a choice. As we said, Mr. President, our country at one time had a budget of which 80 per cent was in petroleum products. I think if the Minister of Finance goes back probably 15 or 20 years when you look at the budget numbers, he will see where petroleum was the main revenue earner and it has all just floated downwards to 20 per cent. We have to find some other opportunities and we have to find them soon. I make the point again that South is oil, Central is sugar, North is what? Other than they are the money burners and hence, I could have seen why the heavy argument for the library, because the library is an employment generator, it is a money burner,

but at the same time one does not expect persons to travel from Port of Spain to go to Point Fortin looking for work. So in effect, the whole question of funds generated have to be managed and I hope that this present Government really gets its act together by having all the Ministers realize that it is serious business. It is not really just getting married and having a honeymoon forever, one has to get down to the work, and the Ministers will have to really jockey for their respective race horses and allocations. When one asks: Why are we not tourism friendly? Why does it work in Barbados? There must be a very marked reason for this.

I spoke about health already and I now thank this Senate for giving me the opportunity to speak at this time of day. Unfortunately, we missed the PNM's 40th Anniversary Service. I am sure that our fellow party members are wishing us the best at this point in time and I want to reiterate the point of thanking you very much for the opportunity to participate in this budget debate. I have to thank my fellow Senators, the Government Senators, and the undaunted efforts of the Independents, and one ought not to forget the persons who actually participated by just viewing during the last three days.

With that I thank you very much.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Thank you very much, Mr. President. I would like, as I rise to conclude this debate and to respond to the matters that have been raised, to first preface my words by saying that the last three days have been extremely invigorating for me. What I thought was going to be a relatively simple debate has turned out to be three days of very spirited, lively, entertaining, educational and certainly very interesting debate. May I point out as well that the female Members of this honourable Senate have contributed so greatly to the high standard of this debate I would like to place my own words on record with respect to the contribution they have made.

Some of you may have known that I had been in the Senate before during the period 1992–1994. I realize now how much we had missed that kind of contribution. I am now in a position to look forward very much to future debates.

7.40 p.m.

More than that, Mr. President, may I caution the male Members of this honourable Senate that they face the possibility of extinction.

I want to start by addressing the question of policies, programmes and promises. I understand the concern which Independent Senators have raised with

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respect to new parties coming in and wondering why they do not hit the ground wild, as it were.

When I made the comment that no government should ever be asked to develop a budget in eight weeks, I did not mean that I was seeking to have more time. Instead, I sought to indicate to members of the wider community the difficulty that I myself faced in having to put together a national budget in what I still consider to be a relatively short time.

Yes, every party that comes into government or offers itself up for government has policies, programmes and promises. But, these all cost money and in each case what has to be done is, one has to cost each particular policy, and promise to see the effect it will have on the numbers in that national budget. In addition to that, one has to recognize that the numbers, while they are available in the form that has been made, in terms of estimates of expenditure, revenues and so forth, no political party ever has at its availability a computer system or technological system that will allow it to do models to develop costings of its own policies, promises and programmes.

Therefore, because it is a national budget—and I wish I could have put to you so appropriately the words of my Friend, Sen. Deborah Moore-Miggins—these programmes and policies have to be balanced against a particular backdrop, and that is, the demands which are made by every sector of the society.

As I said in the other place, it was my wish to be able to have consultation with the wider community. In the absence of that, my only other choice was to consult with them through the submissions which they had made before I came into office and even while I am in office. I would have liked to consult even wider. I did not even bear the risk of consulting a single organization for fear of appearing to have been granting favours to one organization or a few. What I did was, sought to review these submissions myself and take each one separately into consideration.

I talk here about people who may be housewives, retired people, organizations, clubs, associations, and I looked at each one to see what the people of Trinidad and Tobago, from wherever they may come, from whatever sector they may have come, would want to see in a budget. That, too, is a very time consuming exercise.

I could have chosen instead to have come with a budget in which I could have ignored what we feel is the consultative process, but I chose not to do that.

Instead, I tested each model carefully and I made sure that when I arrived at a budget the numbers were properly forecast, that the programmes and policies met the valid expectations of the people of both Trinidad and Tobago and that we could have tried to meet particularly the expectations of the people who are most disadvantaged and least able to help themselves in Trinidad and Tobago. [*Desk thumping*]

It is for that reason that I made the comment that it is not that a party—and it does not matter which party it is—does not have policies, programmes and promises, it is a question of seeing how much we can afford and how we would influence the direction which the budget will take.

One has to remember, too, that the *Medium Term Policy Framework* that is set out really has very noble objectives and that, in essence, what a new government wants to do is to influence the *Medium Term Policy Framework* that has already been there. It is for that reason that I said that we will retain what is good, discard what we consider to be bad, and salvage whatever is salvageable. It is in that context that a budget is also framed.

I assure this honourable Senate that every effort was made to bring a budget here as quickly as we could, and to make sure that the budget we present to the nation of Trinidad and Tobago would have been acceptable and I am pleased to see the amount of appeal and acceptance that this particular budget has received.

Having said that, I would just like to repeat, very quickly, what I had said earlier with respect to this budget. Our intention was to reform the tax regime, both individual and corporation tax. Our intention was to make sure that it is an effective tax regime, which is transparent, efficient and, more importantly, less burdensome. More than that, what we tried to do is to ensure that equitability prevailed at all times, and it will prevail if we ensure that the people who need the most help are the ones who are given the biggest tax breaks.

Our intent, ultimately, is to ensure that tax rates come down. If the tax rates are going to come down, then the question of tax allowances and tax concessions have to be addressed because in the absence of that the entire tax base will be eroded.

We see a system in which the taxpayers of this country will pay what we regard as an affordable level of taxes, and they will use the disposable income that becomes available to them in their own discretion. They can choose what they want to buy, where they want to buy; whether they want to buy a house, to

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save, or whether they want to exercise their own discretion in purchasing some of the things which are of little or no value to them. That would be their choice.

More than that, the question of the propensity to save has to be addressed. Trinidad and Tobago talks much about having these instruments that create urges and nudges in particular directions, but I will put it to you, Mr. President, no one who is living at the marginal rate really has any propensity to save. They cannot! They could not, given the circumstances that exist. Even if we give them the best will, the best nudging and the best urgings to save, if they cannot afford to save, they cannot do so. Therefore, these concessions will fall on barren land.

To suggest that these people have to be given instruments to help them to save seems to my mind a bit awkward when in the context of our own regime we would prefer to help them by saying, “pay no tax.” I will address that in a little more detail when I deal particularly with the three measures that seem to have come in for the greatest amount of criticism; these are, the mortgage interest rate, the Unit Trust and the credit unions.

Mr. President, I would talk about something that I had alluded to in the budget statement which seems to have attracted a bit of attention but not the amount of attention that it deserves. I refer here specifically to the question of competition policies. I did not just stick that in a matter of saying, “guess what, we have a policy about competition.” It is out of our concern about where prices will end up, where prices are being increased.

We have had the opportunity in a budget presentation where the duties on motor vehicles were reduced in a particular year—I cannot remember which year; it might have been about a year or two ago—and that is in keeping with the agreement to stick to the Common External Tariff. Immediately thereafter, the prices of motor cars went down. It was not a full three weeks and the prices went far above what they were originally. I am not here to knock any car dealers, I am merely here to indicate that this is something that must be of concern to us. We have done the same thing again. We have attempted in terms of small cars to bring prices down.

This Government is serious about watching prices. We are serious about ensuring that there is no one clique or group that is going to hold the buying public in Trinidad and Tobago to ransom. [*Desk thumping*] Therefore the question of monopolistic practices, the question of price fixing, the question of

creating cartels are going to be looked at and we will bring legislation here very early to ensure that these practices are outlawed.

We do that in the interest of making sure that in creating this free trade, this liberalized atmosphere, that a few people do not get behind closed doors and decide what prices they want for themselves, what level of profits they want and what level of prices the people of Trinidad and Tobago can bear. It is unfair and we would not allow it.

We would not allow for argument sake—and I do not want to necessarily call names; this is strictly as an illustration—supermarkets getting together and saying, “our price for milk is X”, and the poor single mother who has to be working now has to pay a higher price for the powdered milk merely because the supermarket feels that she must buy that milk and could afford a 3, 4 or 5 per cent increase for no reason.

If we do not do that, the alternative is to revisit the question of price controls. But that is not our preferred approach. We would have preferred to have enough competitors in terms of suppliers on the market to ensure that the price remains in, what we call, equilibrium; and equilibrium is a question of demand and supply. But when suppliers gang together whether they are insurance companies—and you know, Mr. President, I have come from an insurance background; if the insurance companies think they can get together—I am not saying that they do—and decide what rates they want to charge the people of Trinidad and Tobago, then they would have to find out other answers.

7.50 p.m.

When some people come here and say, well, we want you to prevent insureds from taking their business outside, then understand we are looking to see the effect that price fixing, that cartels, and monopolistic practices are having on this marketplace.

We want to ensure that everyone has an opportunity to influence price by withholding their demand and putting it wherever they feel they can get the best price. So whether they go to a Mom and Pop shop, or a supermarket, they must have a choice of knowing that the price is not being fixed over their head and they have no choice. That is a critical element of our entire budget process. We want to signal clearly we are not going to tolerate these kinds of practices, Mr. President.

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It is for that reason, therefore, that in signalling that and in removing VAT, we are careful to say that the Ministry of Consumer Affairs will ensure that there is a price watch on for all of these items. It is for that reason that we have asked the manufacturers that if we are going to—and Mr. President as an aside—I think this is the first time in my life I have heard businessmen say, “Please, Sir, put back on more duties”. In all my life I have been hearing them say they want less taxes, less duties; all of a sudden now they are saying they want more duties. What they mean by that is that they need to get some protection.

We have no difficulty with the protection, if they will be prepared to give, and honour, a commitment that the prices will remain stable. [*Desk thumping*]

Hon. Senator: Sure.

Hon. B. Kuei Tung: Mr. President, let me talk for a minute, therefore, about the mortgage interest allowance. A great deal of heavy weather has been made about people who are unable, ultimately, to afford their home, but Mr. President, I have already indicated that it would be impractical for us to be bringing income tax rates down and to allow high interest allowances to be made. I say that, particularly, against the background of the Senators on the other side who have criticised this particular measure. I want to remind them, Mr. President, that they started off with \$36,000, or was it higher? [*Interruption*] \$48,000. And before they left office they had cut it down to \$24,000. They recognized clearly that they were hurting people when they moved from \$36,000 - 24,000, and there was a huge outcry. But Mr. President, this has to be done not only— [*Interruption*]

Sen. Gilbert: Mr. Minister of Finance, I wonder which Government reduced the mortgage interest, and in what year, from \$48,000 to whatever. I do not think it was the PNM, Sir?

Hon. B. Kuei Tung: Mr. President, I merely signalled that when you criticize something, as the old people say, you must not have cocoa in the sun.

So you cannot criticize a measure that we are doing which you yourself have taken part in. You yourself have done the same thing, therefore I feel that if you live in a glass house you should not throw stones. That is merely my point, and again, I will go further to illustrate, therefore, that whilst we feel that we have hurt a great number of people, Mr. President, I have before me a Table that was provided by the Board of Inland Revenue that is a little too long for me to read

out at this time. What I would do, though, is try quickly to indicate some of the highlights.

The average mortgage interest that is claimed for all levels—because I have it by banks—is \$9,127 per year. That is the average interest for all claimants. There are 43,904. In the other place I had said it was a little under 44,000. In the highest tax bracket that I have before me—there are people with income brackets of \$100,000 and over—there are 1,728 claimants. The average claim of those 1,728, who all claimed a total of \$32,587,654, is \$18,859—well below the level to which it is now being pitched. So that when one feels that a great number of people have been aggrieved by this measure, I want to indicate to this honourable House, that the intent is to bring and drive income tax and corporation tax down to a level where these allowances can become redundant; where instead of having to tell people that if you buy a house you will now claim the interest on your mortgage, you now have enough disposable income to afford whatever you choose—whatever quality house.

You see, Mr. President, in practical terms, a young couple earning \$3,000 each, \$6,000 a month, it is not inconceivable that in a year or two when the revenues can afford it, that as much as \$30,000 could become “no tax”. No tax. And that some marginal relief will be given for those above that. So that if each individual can claim \$30,000 no tax, the taxable income that they have, assuming there are no allowances, is no more than \$6,000 each. On that \$12,000 that that couple will claim if you assume a rate of tax of, say, 20 percent, we are talking about \$2,400 in tax for a couple for a year.

Mr. President, what that means is that they can take their total disposable income and decide how they want to spend it. They can save it towards a deposit on a house. As it was in the past, because you were so highly taxed, your disposable income was so reduced you did not have the wherewithal to be able to save towards even the deposit on the house. Whilst the system was there to encourage you to pay the mortgage interest, from where were you getting the deposit? Your disposable income just was not there to support the deposit. So it was a bit of a chicken and egg situation and to my mind, Mr. President, it is a better measure for us to start bringing those mortgage interest allowances down and drive the tax rates down fiercely to allow people to be given an opportunity to make decisions and exercise discretion in the way they expend their money.
[Desk thumping]

So Mr. President, this measure is not harsh. I have a feeling, Mr. President, it has not been fully understood. So when the other side talked about “the sting in the tail,” I wondered what exactly were they thinking of when these measures were introduced. Were you thinking, Sen. Mohammed, that you would not be able to afford a house? I am giving you an opportunity now, more than ever—

Hon. Senator: With three children.

Hon. B. Kuei Tung: With three children? You are going to have standardized textbooks, [*Laughter*] and live in a house that you choose to buy

Mr President, I hope I have been able to demonstrate, once and for all, that the measure is really—and I accept that in any system where a change is made there may be one or two people who are dislocated, or who feel that the measure has worked a little against them, but it is not as drastic as it is being made out to be. The measure is intended, as I said in summary, to ensure that there is a lot more disposable income at their disposal and that, in essence, they will be able to decide what kind of house they want; how to save, how to spend, and what have you.

Mr. President, I want to talk for a minute about the Unit Trust, but before I do that, I want to refer to a phrase that has been bandied about over the last few days that has me a little worried. That is the question of “levelling the playing field”. I remember Sen. Beckles was suggesting that we should all become handicapped because we have people who are handicapped and people who are not. If that is the way to level the playing field, Mr. President, I do not want to be handicapped. So, therefore, if you are suggesting that the way to level the playing field is to make everyone even, I do not want to be here either. I do not think this world would be a nice place in which to live if all of us looked alike, thought alike, behaved alike, dressed alike. I mean, this place will become monotonous and boring. There may be no procreation thereafter.

8.00 p.m.

So that my understanding of levelling the playing field is quite different. It is not—and I think Dr. McKenzie also referred to it—that you want to make a giant and a dwarf equal. You cannot do that. It will never happen. You cannot make the giant smaller and you cannot make the dwarf bigger. What you want to do is to ensure that in any competition, the rules of the games are known and understood.

It is when the rules are known, understood and applied equally and fairly to everyone, that the playing field becomes level, in my view, because you cannot, as I said, make rules that will say, well, the giant must do this but the dwarf must do that. That does not level the playing field.

So that, in essence, when I talk about the Unit Trust having to face these huge bank institutions, it is not that you want to handicap the banks so that the Unit Trust can catch up with them. That does not make sense to me. It is just like I do not want to be handicapped. If I were a bank, I would not want to have my two hands tied behind my back so that the Unit Trust can eventually catch up with me. What you need is to ensure that the rules for all—I am not sure whether it was Sen. Beckles who made the comment about Dr. Henry who said that he felt we are not levelling the playing field. We are not about strapping people so the weaker can do that. What we need to do is to help the weak to become stronger, and we can do that, but we cannot strap the strong to do that.

I think the Unit Trust, after 30 or 40, whatever number of years, has been propped up and supported by Government and needs ultimately to be set free. It is like a child. Ultimately you have to loose that child and tell that child, "go into the world and face your destiny." I think the time has come where the Unit Trust has to face its destiny.

Sen. Prof. Ramchand: Mr. President, would the Minister say it would be probably less traumatic to grant the same provision to all the banks to have credit?

Hon. B. Kuei Tung: Traumatic might not be the word. It might certainly be more expensive to have given every institution a credit. Only today I received a recommendation like that from a doctor from the university—so maybe it is making the rounds at the university. Why did we not give these credits to everybody and everybody will be happy? That does not make sense to me. It becomes expensive. Against the backdrop of reduced taxes, as I said, it is just going to stick out like a sore thumb.

So that, in essence, again, we signalled to the Unit Trust that we want to assist. We would want to give it some assistance in terms of its marketing techniques, but it has to stand the competition from other financial institutions.

Sen. Ramchand: Mr. President, I was not really satisfied with that answer. Does the Minister realize that even if all the banks have credit, the number of people applying for it will not multiply? It just means that the banks would have

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to fight with the Unit Trust for the clients. So giving the credit, giving the possibility to all the banks, does not increase the number of people applying for the credit.

Hon. B. Kuei Tung: I thought I just said it. I had not priced it, but it sounded like it was going to be a fairly expensive prospect for me to give it to every financial institution. In terms of the competition, I thought that we were predicating our assumptions on the basis that the banks can far out-compete the smaller institutions. For you to suggest that people will not go to the banks; they will go to the credit unions, seems, to my mind, a little bit different from what I have assumed.

I would think that \$1.3 billion in assets is a fair base from which you could tell the Unit Trust, "I think you have come of age." It is not that we do not want the Unit Trust around; it is not that we do not want the insurance people. The arguments that we have heard have not suggested to me that people are going to move away from the Unit Trust. On the contrary, if the Unit Trust has been that good to them, there is no evidence that I can have—and I am not attacking the Unit Trust. I think a lot of people assume that because you remove a little bit of a prop from someone you are attacking them. The intent is to say, "you have come of age; go into the world and face your destiny."

I used to manage an insurance company, and there are insurance companies that have far less than \$1.3 billion in assets; they face competition in the financial market, and they do not get any support from Government; they do not get their premiums, life or general, as the case may be, tax favoured; and they do not complain because they have to face bigger competition. Therefore, the Unit Trust has to come of age. It has to go and meet its market; it has to assure the market that it could continue in the same way it can, or that it has done in the past, with or without Government's help.

We are prepared to help them with that. We are prepared to help them with new modern marketing techniques and methods; we are prepared to assist them in accessing some kind of technology that will assist them, if that is what they need. I could say the same for the credit union movement. The credit union movement will get whatever support is necessary from this Government to ensure that the union, as a movement, is not disturbed. But by the same token, they must accept that they must subject themselves to some sort of financial scrutiny to ensure that the small man's interest is protected.

Sen. Daly: Mr. President, I know it is late, but could the Minister also explain, does not the Unit Trust still have the advantage of a government guarantee which other financial institutions do not have? Could he explain that?

Hon. B. Kuei Tung: For the time being. The Central Bank, I think, two or three years aback, had agreed to guarantee the purchases within a two-or three-year period after the date of purchase. That guarantee has not been disturbed. So that one could say that some of the props are still there.

You see, it is against a background where people argue—and I was particularly impressed with the impassioned plea made by Dr. Mc Kenzie—that, yes, it is a place where you could tie your cow outside and go in—that is the credit union one; it does not really matter. I guess what she was saying is, here it is that the small man can now have a feeling of welcome in a particular business place, and I appreciate that.

But against the backdrop of a small man paying no taxes, how is he going to use this tax allowance? If the chargeable income of the small man that Dr. Mc Kenzie referred to was \$20,000 a year, he would pay no tax. Is Dr. Mc Kenzie suggesting that what she wants me to do is to tax him and then give him allowances so we could nudge him into the Unit Trust office?

Sen. Dr. Mc Kenzie: This is a funny place, you know. You have to say what you want to say and then ask a question. Does the hon. Minister know that my comment on the Unit Trust was not about removing the credit. I was trying to show how the feeling of rubbing shoulders in the credit union movement with people, was the same type of feeling of importance, of getting correspondence from the Unit Trust and feeling as a part of a big organization.

Hon. B. Kuei Tung: And I thought that Dr. Mc Kenzie made a tremendous case, not for retaining allowances, but for saying that the Unit Trust should be closely watched to ensure that its performance continues along the same line. It is for that reason that I say, the support that must be given to the Unit Trust today must be different. Like a child that has grown to manhood, you do not want to continue to feed that child. You want to be able to help him to own his own home, to be able to clothe and feed himself, to start to prepare himself for a family.

There are different kinds of props that you give a man of 21 from those you would give to a child of six. I want to put it to you that the particular prop that the Unit Trust has got since its birth, in my view, and certainly in the view of many

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people, is that that prop is no longer needed and no longer necessary. I know it is traumatic to the Unit Trust. I know it is probably traumatic to a lot of Unit Trust holders, but I want to suggest that the people who have already demonstrated a propensity to save through the Unit Trust are going to continue to do that with or without Government props. That is my feeling.

8.10 p.m.

That is my feeling and I have every confidence that the people of Trinidad and Tobago would rise to the challenge. They are going to see a Unit Trust that is going to wake up tomorrow and realize that the only way it is going to face this big bad wolf is to be able to get its act together to woo new Unit Trust holders and to get increases in Unit Trust holders regardless of whether the Government gives it a prop or not.

Mr. President, the only other area I could talk on—and I suppose much of the arguments that were used can also be applied to it—is the question of the credit unions. This Government has already demonstrated its concern for the small man by this budget. I have already said that the small man really needs no further inducements to save because the intent is to allow him to pay no or little tax, and to ensure that he has a disposable income so that he is not forced to save but, instead, he is forced to start making decisions as to how he exercises discretion in his spending.

Therefore, I suggest that the people who are making the most noise about these instruments are the ones who are in the best position to take advantage of them; and they are not the small man. To suggest to me that it is the small man who goes to the Unit Trust and the credit union, I suspect, is a little bit of an extreme case. I think the people who really take advantage of these are the people who want to be tax-efficient. They are the people who make money, regardless, whether it be the mortgage interest or Unit Trust. These are people for whom high income tax rates and high allowances make much sense.

So, it is not an attack on the credit union movement or the small man. On the contrary it is a method to assist the small man so that he can, at least, be allowed to survive in these tough times of adjustment. When he has more disposable income he can decide exactly how much he wants to put aside; but for us to suggest that it must be in credit unions or the Unit Trust, I feel, is long gone. I think the day has come when Trinidadians have to be able to stand on their own in terms of being able to determine their own propensity to save. *[Interruption]* And Tobagonians; but Tobagonians have already demonstrated that they have the

propensity to save. [*Desk thumping*] I heard that ably demonstrated by every Senator from Tobago today and over the last three days.

If it is that we need legislation—and that is why we signal that it is not because we want to run on the movement, but because we want to tell them we are here to help them to put their house in order and we are here to assist them—we would provide them with the necessary legislation. We would provide them with the assistance to ensure that they can develop strategic plans to move away from this particular mores. We would provide them with assistance in terms of marketing, technology and so forth. We would ensure that the credit union movement survives, but they must survive in a form whereby the small man is protected and where his investments and savings are assured.

Sen. Gilbert: Mr. President, based on the Minister's recent statements, does he think that a middle-class Trinidadian or Tobagonian might interpret his statements to mean that the budget is against him?

Hon. B. Kuei Tung: Mr. President, I do not think that the budget is against him. By using a number of models, we have attempted to demonstrate the effect this would have on several banks. As I said, there may be some people who, because of their particular circumstances, may feel that they have been hurt, but in the main, based on the models we have used, at the very worst it would seem as though it was neutral in terms of their own tax treatment.

Therefore, in the many cases that we have looked at—we could not take every possible case and feed it into a computer—I can assure you that the number of people who may be hurt by these measures are certainly in the very slim and small minority.

Mr. President, we are talking about assisting the credit union movement to form some kind of deposit insurance, of their own making, where they can contribute towards a fund that would guarantee the investments, savings and loans made to members of the credit union movement. There are a number of things that can be done to assure that the movement does not suffer. As a matter of fact, the Ministry of Finance is going to be taking a particular interest in the credit union movement over the next six months.

I would like to deal with a few specific concerns other than the three I have just mentioned. Sen. Montano raised the question of the dividend income allowance, but that has been so properly dealt with by Sen. Philip Hamel-Smith

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that any attempt to repeat it would really make me look in bad shape; and I want to hold on to my job, Sir.

I would have hoped that given the fact that the income tax allowance is going to cost as much as \$50 million in tax credits this year, in respect of last year, it suggests that we need to re-think how this dividend income allowance is going to be worked out.

The reduction on mortgage interest allowance was raised by Sen. Montano, which I also dealt with.

Another issue Sen. Montano raised was the question of the tax court. Let me quickly make mention of the concept we have for a tax court. It is no secret that our courts are already pretty much jammed and very much clogged.

What we have in mind at this time is that the tax court would operate very similar to a magistrate's court. It would not rival the Tax Appeal Board. The Tax Appeal Board, as a matter of fact, would remain and be manned by the usual court personnel, the difference being that tax and revenue matters would be separated from the usual court matters.

Mr. President, there is a reason for this. There are business people—sometimes I am ashamed to be associated with certain business people—who feel that they could fail to forward the value added tax that they have deducted from sales to the VAT office; they boast that the court system takes three to five years, and all the courts have ever done in the last few years was to insist that they pay the money. They prefer to hold on to the money for three to five years and at the end of the day just pay it.

A tax court is intended to ensure that as soon as someone is found breaking the law he is hauled before a more efficient court, and hopefully, this tax court is going to be able to adjudicate much faster; and the tax revenues that are being denied to the country would be collected much earlier.

The tax court—I suppose one could call it a revenue court—is intended to address criminal matters related to income tax and customs and excise matters which include failure to file income tax, making a false declaration, tax evasion or other fraud matters, whereas the Tax Appeal Court would continue to deal with civil matters where people have made appeals, or where people felt aggrieved by

the assessments that have been made either by the Board of Inland Revenue or by the Customs and Excise Division.

Mr. President, let me also say that Jamaica introduced a tax court in 1992 and almost immediately, the revenues received by the Jamaican Board of Inland Revenue increased substantially. We hope that by so doing we would be able to ensure stricter compliance and quicker collection of revenues.

Sen. Dr. Mc Kenzie: Mr. President, could the Minister say whether there is anything that the Government could do with respect to bringing the Government before the Tax Appeal Board in the case where the Board of Inland Revenue has defaulted on the refund?

Hon. B. Kuei Tung: Mr. President, I myself, have suffered because of that, where the Board of Inland Revenue holds on to one's money, but as I have said before in my opening remarks, the intent is to try to be more aggressive in issuing refunds.

The startling statistics that faced me when I started doing this budget is that in 1995 the net collection of value added tax was \$1.2 billion. During the course of the year \$936 million had been made in refunds and of that money \$250 million referred to previous refunds that were long outstanding. In essence, the value added tax system is becoming a little more up-to-date. In terms of other refunds, I am sure that we would be able to get the Board of Inland Revenue to expedite some of these. We are presently asking the IMF for assistance in helping us because our computer systems in the Board of Inland Revenue are reaching the age where they need replacements. Because of that, the system becomes a bit unwieldy and our refunds are beginning to slip again. We need to see how we can get technical help to keep on track on that matter.

Sen. Marshall made an impassionate plea, that if perchance we are unable to meet our revenue—and I know this is not necessarily going to be so—please do not cut the capital budget.

8.20 p.m.

Let me talk a bit about the Public Sector Investment Programme (PSIP) as it is commonly known. It is not the intention of the Minister of Finance to touch the capital budget. Trinidadians and Tobagonians have accepted that the capital structures that have been in place in Trinidad and Tobago have begun to appear run down because of a lack of support and maintenance. I have heard much heavy

weather made in the other place: it started to rain, it leaked. Some Members even talked about the national heritage.

In planning the capital budget or the development budget, I did a review. I hope Independent Senators would understand my own style. I did not just prepare a budget, I looked at what I wanted to put forward. I had to go back a few years to see what sort of track record we have had. As far as the track record for capital budget is concerned, our record is atrocious. When I say “our” I am not laying blame at anybody. The line ministries seem to have had an uncanny knack for not implementing things. I say that because, maybe, in terms of recurrent expenditure we are quick to issue cheques to do the right things in terms of meeting bills. We make sure our salaries are paid and we can meet the bills as fast as we can, but somewhere along the line our ability to implement capital projects has suffered and, therefore, the implementation capabilities of most line ministries are really not there. And there are reasons for this.

Senators would recall when I came last year I outlined some of the reasons for this: delays in completing projects, preparation activities; inadequate planning for projects implementation; problems relating to staffing—sometimes the skilled personnel do not reside in the particular ministry; ministries need to do heavy infrastructural works, but they have no skills available to them; delays in procurement; delays in accessing funding. As a result of that when I looked at it, in 1995, I found only 67 per cent of the amount of money that was allocated for development funding was actually spent. It did not make sense, therefore, to allocate huge sums—and they were about \$3 billion in demands in terms of a capital budget.

I have cut that down to about \$1 billion roughly, only because I know that is our present technical capability. I impress upon my Cabinet colleagues that they need to strengthen their implementation capabilities because in the mean time, our capital stock is being run down. It is not the intention. It is not the intent ever to cut a capital budget and to make sure it can go forward in a way that would make us feel that we can be proud of the infrastructure in Trinidad and Tobago, I

can give that undertaking, Sen. Marshall, that we will not touch the capital budget as a matter of priority, we will touch the recurrent expenditure wherever we can.

I am sorry that Sen. Mahabir-Wyatt is not present with us. She raised the question of the interest on a particular hotel in Tobago, or the perceived notion

that Government had made a loan to a particular hotelier as a result of a press release that was made.

For the purpose of understanding the encouragement that is given to hotel developers under the Hotel Development Act, any financial institution that lends a prospective investor money to construct a hotel is allowed very favourable tax concessions so that the financial institution is encouraged to lend and the investor ultimately, will have a cheaper source of funding to develop hotels.

Grafton Beach Hotel is one of those that have been able to benefit. It was not the only one. It is not benefiting directly. It gets the benefit because a particular financial institution is prepared to fund it and get that tax break, as it were, on the interest. The proprietor of Grafton Beach, as a hotelier, gets no direct benefit. The benefit he gets is the fact that he could access a cheaper source of funding, and that is available to any hotel developer. As a matter of fact, it was because this particular owner was the only one who was doing any major development in Tobago at the time that he came under such close scrutiny. He merely took advantage of something that was approved in this Senate. It was the Hotel Development Act.

While I am on that topic let me also say that it is the Government's intention that we extend this particular concession to all approved tourism projects. An approved tourism project is meant to bring the smaller business into the market place to ensure that these people are encouraged to go into it. An approved tourism project will include people who wish to offer services in the tourism sector such as people who want to buy boats; people who wish to have diving trips; people who wish to buy diving equipment; people who wish to make available jet skis; so that these smaller projects that are about \$100,000 in capital are going to be allowed to get the same benefit as huge hoteliers. I plan to bring an amendment to the Hotel Development Act to allow approved tourism projects to be given the same concessions as big hotels or small hotels. *[Desk thumping]*

While I am also on that score, let me signal clearly that there is a certain commercial orientation that I brought to the Ministry of Finance and I hope to extend that ultimately to ensure that projects get off the ground in Trinidad and Tobago. I am not necessarily going to restrict it to hotels, but I am not averse to assisting projects to come into fruition where, if a Government underwrites certain portions of the equity that is needed, if the Government needs to guarantee financing for projects I am not averse to attempting to underwrite and guarantee loans for a fee. I say that clearly because if that is the only way the project is going to get off the ground then we are prepared to consider that. So that if there

is a project, and to give a figure of \$50 million, and you need \$20 million in equity and \$30 million in financing, I would be happy to consider a proposal whereby we can assist in underwriting the capital so that the project achieves the required level of equity financing. Or, if a project needs \$30 million in loan financing, and in order to make it viable, it requires a government guarantee for the loan—and there is a reason for this. Normally with a government guarantee a project is able to attract a much cheaper source of funding and that will make the difference between the project's coming alive or never coming off the books. We need to be more creative.

Sen. Montano: Are you speaking only about the hotel industry or about the manufacturers as well?

Hon. B. Kuei Tung: That is why I said while I was speaking about hotels, my comments will not be restricted only to hotels.

I want to assure this Senate that the normal business considerations will take place. We are not going to do it willy-nilly nor are we going to do it for everyone who comes. Clearly, the proposer of the project must be able to demonstrate to the Government that if it was not for that, it will not fly.

Secondly, there is very little risk in terms of the way it will be structured. If a manufacturer came to us and needed a particular plant that costs \$50 million, provided it is not a specialized or single-use type industry, normal business consideration will certainly apply. If we were to guarantee loan financing for a prospect of that kind, it is obvious the risk that the Government takes is very minimal. Because, in the event of default one now has an opportunity to take over a facility at less than \$30 million, assuming that it has been going around its normal way for a project that originally had cost \$50 million.

8.30 p.m.

The risk to Government is minimal in my view if that is the only way they are going to get projects of this kind. It is not the intention of this Government to get involved in business but to assist business to move forward. I am on record as saying that Government cannot really develop the private sector. The private sector can develop itself. It needs an atmosphere in which Government must play its part in ensuring that same level playing field that I have spoken about before.

Let me talk quickly about Caroni's forgiveness which Sen. Mahabir-Wyatt raised. How can we forgive them for breaking the law? In practical terms they were forced to break the law. This is not only peculiar of Caroni but also BWIA, and there could be a number of other state enterprises. In the old days many of these companies had run into situations where they were cash strapped because

they were so badly managed. In essence, I assume that they asked the Government that was also cash strapped in the past, for money to pay salaries. Government, would have never given them the gross salaries. If the Government had given them the gross salaries, then I agree with Sen. Mahabir-Wyatt. They would have taken the deductions which they made from the employees and done what they wanted with it without remitting it to Inland Revenue.

In essence the Government had been funding them on a net salaries basis. They had no money to remit to the Government. Therefore some of these measures which I have spoken about are to clean up this book. It is not that they were given those salaries, kept the NIS and PAYE deductions, did what they wanted with them and then came back and asked for it. They were forced to break the law, if not they would have been forced to close down. It is not that this measure is intended to condone their breaking the law.

Sen. Mahabir-Wyatt asked about void cheques amounting to \$800,000. That is precisely what it says. These are stale-dated cheques. Each year we have to cater for some of them. I think the estimate in stale dated cheques is about \$800,000.

On the question of TIDCO's money that had to be returned, TIDCO was formed after the closure of IDC which had about \$49.5 million in fixed term deposits. With the formation of TIDCO the money was vested there. To this date TIDCO has been allowed to use the interest earning on the fixed deposit to fund its operation, in addition to the normal grant that it received from government. This year the intent is to have them return it because we know that if we allow money to remain in their hands undetected, ultimately it will go the way of all flesh, and then we will have great difficulty in recovering it. The intent is to ask TIDCO to return it as it serves no particular use in terms of TIDCO's present funding requirements.

So much has been said about the honeymoon tourism and the three-day marriage. I would like to put this in perspective. There are several aspects of tourism such as what is now regarded as honeymoon, tourism, eco tourism, event tourism, sports tourism, and I can go on and on. In the case of this particular honeymoon market which has become a very vibrant sector of the tourism business, it seems as though there are many people, particularly in Europe, who would like to get married in what they consider to be an exotic place. I imagine if we were living in a cold country we would certainly be attracted to it. This is a strange phenomenon. I guess given our culture we cannot understand that. We do

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not understand why our sons and daughters go abroad to get married. We think that we have to provide a big wedding ceremony for them. I know that some of us, because of our own circumstances, would like our sons and daughters to go abroad to marry. In many cases the bride or bridegroom-to-be normally comes with his parents, friends and well-wishers.

Sen. Mohammed: The *baran*.

Hon. B. Kuei Tung: These are not people who can come and remain here for two weeks. These are not quick marriages which have been suddenly arranged, but people who have planned their marriage and want to get in and out of the country very quickly. The bride and groom may remain but the *baran* would want to return home quickly. Therefore if there are no existing laws to facilitate this it would create serious problems. It is being done in Grenada and St. Vincent but we are unable to take advantage of this particular market. It is not that we are encouraging a relaxation of our standards. It is merely to facilitate a very important segment in the tourism market which is growing and we cannot afford to turn our backs on it. For that reason I have proposed that the three-day marriage be allowed.

There are other proposals that I have heard from Sen. Teelucksingh. I plan to discuss them with the Attorney General to see whether other mechanisms can be used. If they are practical we will look at them, if not, we will have to continue with this three-day arrangement. I wish to assure this House that it is not a departure from our strict moral codes.

On the question of shop hours, I do not want to get into a fight or any debate with respect to the religious connotations to this. This came about in a rather indirect manner and not because Christmas Day and New Year's fell on a Sunday and we needed to assist. This is my personal opinion. It does not matter what hours of day or night that a shop is opened, if people wish to drink they would find ways and means to drink. They will stock it up. The opening up is part of the freeing up of the whole market that we see is necessary.

My vision is that ultimately—I know that I will get in trouble with some of my colleagues—NP has to demonopolize. I see a new set of service stations coming of age. Many of us travel and we see the quality of the service stations. One of the attractions of the service stations in North America is the fact that there is a barrage of other stores around them. The question of convenience stores, fast food stores or 711 stores that need to come to brighten these service

stations cannot be accommodated unless we start thinking about changing the shop hours.

I do not know whether there will be an exploitation of labour. I know that I have signalled in the budget that we will ensure that there are laws to protect the workers, and in particular we want to ensure that we protect the abuse by unscrupulous employers of our women and children. I am not strong on the question of alcohol and shop hours. I know a lot of heavy weather has been made about whether we are creating problems for ourselves 50 or 100 years later. I suggest to this honourable House that if we want to come into the modern age, I see service stations which will operate and allow us at midnight to purchase a roll of toilet paper with no VAT if we run out. *[Laughter]* I hope that will give a little more of the genesis as to how this particular measure came about.

Sen. Daly spoke about job creation and the lack of policies. I wanted to keep the budget statement crisp. The majority of people have signalled to me that they have welcomed a short crisp budget statement. I know I said that my colleagues would provide further details with respect to policies. Being a new Government we found ourselves in a situation where some of the policies were being articulated in the other place and others here. That is in the interest of trying to get the debate moving forward in both places. As I signalled in the budget, I think our policies are geared towards specific non-oil areas such as tourism, agriculture, manufacturing, construction.

In spite of the furor that this recent library project has created I am sure the Minister of Works and Transport understands the need to get the construction sector moving. There is no true lack of policies. It is just that these policies were not being articulated in the budget statement at my request.

On the question of Servol, I cannot give a specific number. I have had a little difficulty in putting it together.

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

BUSINESS OF THE SENATE

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, in accordance with Standing Order 82 I seek your leave to suspend Standing Order 40 to allow the hon. Minister of Finance to conclude his reply.

Question put and agreed to.

8.40 p.m.

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Hon. B. Kuei Tung: Let me just give the assurance, Sen. Daly, that as far as I remember it will be no less than was given to Servol in 1995. As a matter of fact, I will give the undertaking to this honourable Senate to see if we can up it a little bit, particularly in light of the plea by Sen. Diana Mahabir-Wyatt with respect to the impact that the dividend income allowance has made on Servol. I have already had the technocrats look at it, and we will see if there is some way to compensate them. *[Applause]* That is merely because I do not want to use just one organization—and a prominent NGO at that—to rethink a whole dividend income allowance of \$47 million, just because one organization has been hurt by \$60,000.

I was particularly impressed with Sen. Prof. Ramchand's plea for solar energy. I myself have dabbled with solar energy and I think it is something that this Government will look at very carefully. What I am aware of though is that solar energy for housing is extremely expensive in terms of the initial capital outlay. The benefits are long-term. The capital expenditure needs very little maintenance. I am not sure whether it is that the capital outlay is so heavily taxed that it causes it to be so high. If that is the case, then Government will look at the possibility of giving some help to solar energy. I certainly believe that solar energy has to come to Trinidad and Tobago soon.

I am not particularly impressed with your suggestion, Sen. Ramchand, with respect to forcing tourists to change all their money up front. I think we have to make sure that tourists are not dislocated unduly. I think they have to be as free as in most developed countries where people can come in with their foreign currency and spend it across the counter with the least amount of inconvenience. Whilst there is merit in what the Senator is saying about being proud and converting their money and spending Trinidad and Tobago dollars, I would much prefer to see foreign currency freely circulating.

Sen. Prof. Ramchand: I wonder if the Minister took the second part of my argument that the Government spends much foreign currency developing tourism, but when that foreign currency comes into the country and is taken in by the hotels, shopkeepers and taxi drivers, it does not really find its way into the

Government's coffers. Therefore, the foreign currency earning capacity of the Government is being reduced.

Hon. B. Kuei Tung: I want to suggest that it does find its way into the system. In the old days when there was strict foreign exchange control, some manufacturers tried that. They would export, and what they found was that in exporting much of the working capital was being left outside. I can understand a manufacturer wanting to hedge against an exchange loss, but ultimately it catches up with him because he cannot keep using TT dollars and parking his foreign currency outside. So, the people need the money and they need to find some way to put it back into the system. Yes, some of it is lost by being squirted away somewhere but, in the main, it finds its way back into the system.

Sen. Mc Kenzie—small businessmen and VAT exemption. I think that many small businessmen do not understand how VAT exemption works. If a small businessman, whose total turnover is less than \$150,000, is selling a good for \$100, normally, without this particular exemption, he would have to add 15 per cent VAT and sell it for \$115. He competes with big businessmen who sell the same good, presumably at the same price of \$100 plus VAT of \$15. I do not think that the intent is for the small businessman not to recover his VAT input in buying these things. There is absolutely nothing wrong in his selling this good for \$115. However, he cannot sell at \$115, add VAT and then pocket the VAT, but in order to meet the competition, he can sell at the same price. What happens to him is that in buying the good he would have paid VAT and having nothing to offset it, he is really pocketing the VAT and that is allowed by Government. So, in essence, the small businessman does benefit from this measure. I do not understand how the small businessman is saying that he is not benefiting.

Sen. Dr. Mc Kenzie: Let me explain. The small businessman buys the same article as the big businessman and pays the same amount of money. He pays VAT because he pays VAT to that wholesaler. The registered businessman sells his article plus VAT—say at \$100 and sells at \$115. The small businessman, who pays \$115 for his good, because he pays VAT on it, does not recover that VAT, so he is forced to sell his article at the same price as the big businessman. The edge the big businessman has is that he gets back the VAT from the Government. The small businessman does not get back the VAT from anybody. The only way I see the small businessman gaining from that is if he offers a service and not a good.

Hon. B. Kuei Tung: I thought I had made it clear. He can sell at the same \$115 as the big businessman. The big businessman sells his goods at \$100 plus

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\$15 VAT and accounts to the Board of Inland Revenue for the \$15, less whatever he has spent on VAT. The small businessman sells for \$115 which is the same \$100, plus \$15, which he charges for himself, but he pockets the \$15; he does not have to account for it. So he has recovered his VAT in terms of his purchases. If he sells it for \$100, then he is denying himself something.

Sen. Prof. Ramchand: I wonder if Dr. Mc Kenzie is saying that the small businessman pays \$115 for it, not \$100. The small businessman is paying VAT, and therefore to make a profit will have to charge \$115 plus.

Hon. B. Kuei Tung: Mr. President, in the interest of time, I will do an example to show it to her. I can assure the Senator that this measure benefits the small businessman and he does not break the law because doing it this way he is allowed to charge a price without VAT. He can charge what may be perceived to be a VAT table price and all of it is retained by him.

Sen. Montano: Has the Minister taken into account that the small businessman who is not VAT registered has to carry the cost of the VAT in his stocks because he cannot claim it back? Therefore, for the period that he has stock and has paid VAT on it, he does not get relief from that until he sells it.

Hon. B. Kuei Tung: I have to assume that he is not going to buy stock and put it down for years, then he is not a businessman, he is an idiot; he should be out of business. What sort of stock can a businessman whose turnover is \$150,000 be carrying? I agree with you that there is some measure of it.

Cheese, Madam Senator. I do not know how to answer that. I can only tell you that the way we deal with this is by using the customs classification. I meant to say when I was going to address your concerns that I must be thankful for the amount of confidence you repose in me. You think I can solve all of Tobago's problems.

Sen. Dr. Mc Kenzie: Because you can say "all cheese, sliced or packaged".

Hon. B. Kuei Tung: The problem is that it has to conform with particular classification numbers in customs and I cannot depart from that because it creates confusion in everybody's minds. As far as I am aware, it is supposed to be all cheese, just as we did create some problem with macaroni. I said macaroni, but it is meant, under the customs classification, for all pasta products. That will be coming back. It is only a matter of convenience that I had used the customs classification.

I give you the undertaking that I will use my good office to assist the Tobago youths in the mail coming across. More importantly, I have under consideration now, and I know this will generate a great deal of discussion, the possibility of using licensing arrangements by the Minister of Finance for the purchase of land in Tobago. We are looking into that because there are two sides to that story and what I need to do is to ensure that one side does not get hurt.

8.50 p.m.

We need to protect the Tobagonian situation, on the other hand, however, it seems as though we are sending a signal that we are not interested in foreign investment, and that is the blend I have to get. There are two things I have to do before I even contemplate that: A system of transparency that will allow anyone who wants to access land in Tobago, a fair and equal opportunity to get that land, whether they are foreigners or investors from anywhere. But more importantly, that those guidelines must be so neutral that people would know that they are entitled to apply for it and it does not hurt our foreign investment needs.

Sen. Prof. Spence asked whether the tourism master plan should be made public. I heard Senators on the other side boasting that it was the PNM's master plan. I have no problem with that, except that I thought it should be made public. I see no reason why a master plan that had been commissioned by the Government and paid for by funds borrowed from the IDB should not be made public. That master plan will be made public eventually.

I also want to mention to this honourable Senate that certain sections of the portfolios of ministers are under review by a sub-committee of Cabinet which is chaired by the Minister of Planning and Development and of which I am a Member. The Prime Minister was careful to tell us that he really did not want any change in names. He felt that every time there was a change in administration the whole thing would change because people would say this is a new government and it must have a ministry of this or that, and what it causes is a whole set of stationery having to be thrown out the door; a new re-orientation; some people have to move to other places and generally there is vast confusion. Mr. President, the Prime Minister has assured the nation that he would not subject this country to any undue trauma because of a change in administration. As a result of that we have literally kept the same names of the ministries as before but we want to streamline portfolios. The matters of the School Feeding Programme and science and technology which Sen. Prof. Spence spoke about will be determined in the very near future.

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I want to end on one small note and I seem to have ended on this same note in the other place, returning residents. I have no difficulty with citizens who have gone abroad and who made or continue to make some small contribution to the growth and development of Trinidad and Tobago. My “beef”, more than anything else, is that I remained here and stuck it out. I have no family overseas who sends money back for clothes or housing, as the case may be. I have remained here and stuck it out and I get no benefit in terms of a returning resident.

A returning resident who makes this contribution that Sen. Gilbert spoke about, sends a few dollars here, comes back here and gets a brand new car, duty free. Why did I stay here? If I had known that was the way the previous administration would go, I would have gone away and returned with a new car. I do not see why I must be penalized. This does not just seem to be a loophole, it seems to me to be one vast gaping hole that was there to ensure that somebody would benefit from it. I will not agree to any preferential treatment being given to people who—as I describe them, are like prodigal sons—come back here and say, I want more than my share of my estate. I am sorry.

Sen. Gilbert: Mr. President, all I am really advising the Minister is that he has to go back to the history of Trinidad and Tobago. Probably he has not had that experience, but let me tell him something. Quite a lot of our citizens went to Aruba, United Kingdom, United States of America and Panama. Check the history and you will take back your word on that minute contribution.

Hon. B. Kuei Tung: Mr. President, as I have said, I have no difficulty with that, but I do not see why they should return here on a preferred position. Why can they not buy the car as I would? As a matter of fact, on their return they may have more savings than I do. They come back here with this money, and they are given a brand new tax-free car, US \$100,000 worth of brand new stuff—furniture, appliances—

Sen. Gilbert: Mr. President, that is not the point I was making, it is just the way it was put.

Hon. B. Kuei Tung: Mr. President, I understand the way people felt but I have a difficulty with the principle. The hon. Senator felt that I should have just

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plugged the loophole because it was a good measure. I do not think it was a good measure.

Sen. Mohammed: Mr. President, on a point of clarification. I know that the hon. Minister is coming to the end of his contribution but I was sitting here in anticipation of hearing some mention made of the Government's social integrated programme and the provision of \$60 million for this programme. Can the Minister please tell this honourable Senate where is the money coming from?

Hon. B. Kuei Tung: Mr. President, I am sorry I omitted that but I really did not have an opportunity to research that. I tried to get hold of the Minister of Agriculture, Land and Marine Resources. I think he had explained that in the other place. I will, however, undertake that if there is anything in my presentation that I have omitted, I would be happy if the hon. Senator would drop me a line and I would give whatever explanation I can. In the interest of time—I did not plan that this wind-up would take so long—I would quickly say, thank you very much to the Senators who have made such valuable contributions to this budget debate, particularly the female Senators who have stolen the show, as it were. I thought for a while there that Sen. Mohammed wanted the last word. *[Laughter]* I thank my colleagues for their support. Thanks to the staff who have stood by us over the last few days.

Mr. President, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Hon. B. Kuei Tung: In accordance with Standing Order No. 63, I beg to move that the Senate does not resolve into committee.

Question put and agreed to.

Bill read the third time and passed.

Motion made and question proposed, That the Senate do now adjourn to Tuesday, February 6, 1996 at 1.30 p.m. [Hon. W. Mark]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.59 p.m.