

Leave of Absence

Friday, December 27, 1996

SENATE

Friday, December 27, 1996

The Senate met at 9.00 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave to Sen. Martin Daly from sittings of the Senate from December 21, 1996 to January 06, 1997.

SENATOR'S APPOINTMENT

Mr. President: I have received communication from His Excellency the President of the Republic of Trinidad and Tobago:

“By His Excellency NOOR MOHAMED HASSANALI, President and Commander-in-Chief of the Republic of Trinidad and Tobago.

Noor M. Hassanali
President

TO: DHANAYSHAR MAHABIR

WHEREAS Senator Martin Daly is incapable of performing his functions as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, NOOR MOHAMED HASSANALI, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, DHANAYSHAR MAHABIR, to be temporarily a member of the Senate, with effect from December 21, 1996 and continuing during the absence from Trinidad and Tobago of the said Senator Martin Daly.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 19th day of December, 1996.”

Oath of Allegiance

Friday, December 27, 1996

OATH OF ALLEGIANCE

Sen. Dhanayshar Mahabir took and subscribed the Oath of Allegiance as required by law.

SEASON'S GREETINGS

Mr. President: I have also received a letter from the Tobago House of Assembly which reads as follows:

“SECRETARIAT AND LEGAL DIVISION,
Tobago House of Assembly,
Scarborough,
Tobago,

December 24, 1996.

The Clerk of the Senate,
Red House,
Port of Spain,
Trinidad.

Dear Madam,

The Tobago House of Assembly (1996—2000) at its Plenary Sitting (First Meeting) held in the Assembly Chamber on Friday, December 20, 1996 by resolve, directed that the Seasons' Greetings for a Blessed Christmas and a Happy New Year be extended to the President and other Members of the Senate.

Yours faithfully,

Clerk, Tobago House of Assembly.”

ORAL ANSWERS TO QUESTIONS

The following questions stood on the Order Paper:

**Highway Maintenance Programme
(Loan Agreement)**

1. Could the Hon. Minister of Works and Transport inform the Senate if there is a loan agreement entered into between the Government of Trinidad and Tobago and a foreign financial institution or lending agency with respect to a proposed comprehensive Highway Maintenance Programme?

If the answer is in the affirmative, could the Minister state:

- (a) The date the said loan agreement was signed on behalf of the Government of Trinidad and Tobago, and by whom?
- (b) Whether the recognized majority trade unions were consulted with regard to the proposed conditions of the said loan agreement entered into by the Government of Trinidad and Tobago prior to the signing of the agreement?
- (c) Is there a conditionality in the said agreement to have certain operations privatized or to be contracted out to foreign or local contractors?
- (d) If the answer to (c) is in the affirmative would the Minister state whether there is a commencement date?
- (e) Whether daily-paid as well as other workers would be retrenched in the process stated at (d) above? [*Sen. M. Jagmohan*]

**Police Service
(Vehicles/Crime Statistics)**

2. Could the Minister of National Security please inform the Senate of:
- (a)
 - (i) The criteria used in the selection of vehicles and their accessories for use in the police service?
 - (ii) The number of vehicles purchased and ordered during 1996 for the police by type and model describing the options and accessories included?
 - (iii) The total sum expended and projected expenditure in the purchase of motor vehicles for the police service in 1996 and the price paid for these vehicles by type and model?
 - (b) Could the Minister please inform the Senate of the number and type of violent crimes and other serious crimes committed during the first nine months of 1996 with comparative statistics for the same period in 1995? [*Sen. D. Montano*]

**Government Officials
(Overseas Trips)**

3. Could the Minister of Public Administration and Information please inform the Senate of:
- (a) The number of official overseas trips each Minister of Government, including the Prime Minister, has made since November 07, 1995?

- (b) The nature and duration of each Minister's visit abroad and the cost of each trip to the taxpayers of Trinidad and Tobago including airfares, hotel accommodation and allowances?
- (c) What real and tangible benefits have accrued to this country as a result of these overseas trips? [*Sen. N. Mohammed*]

**Community Centre
(Third Avenue, Barataria)**

4. Could the Minister of Community Development, Culture and Women's Affairs please state:
- (a) Whether construction work on the community centre at the corner of Ocean Avenue and Third Avenue, Barataria, has been completed?
 - (b) If construction work has been completed, could the Minister state when will it be officially opened?
 - (c) Whether any new community centre is being constructed within one-mile radius from the community centre on Third Avenue, Barataria? [*Sen. N. Mohammed*]

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, with your leave, I would like to have questions Nos. 1, 2, 3 and 4 deferred for two weeks.

Questions, by leave, deferred.

**APPROPRIATION BILL (BUDGET)
[SECOND DAY]**

Order read for resuming adjourned debate on question [December 20, 1996]:

That the Bill be now read a second time.

Question again proposed.

The Minister of Community Development, Culture and Women's Affairs (Sen. Dr. The Hon. Daphne Phillips): Mr. President, I commend the Minister of Finance, Sen. The Hon. Brian Kuei Tung, on his presentation of a budget which, among other positives, takes into account the needs and interests of those who are

perhaps least empowered in our society. I support the budget presented by this Government for the fiscal year 1997 and I congratulate the Minister for an excellent presentation.

Mr. President, in my contribution to this debate, I will concentrate on the social development policy of the Government of Trinidad and Tobago with particular reference to poverty, the elderly, the disabled, women heads of households, the unemployed, and service and support to non-governmental organizations.

I will then explore, in some detail, our achievements in 1996 and plans for 1997 in the areas of community development; women's affairs, and gender issues; and cultural development—for which I am responsible.

9.10 a.m.

Mr. President, the social development of a country and its people is a holistic concept which is a product of a variety of economic, social and political policies implemented in a given situation. Social development refers to the extent to which arrangements could be put in place to facilitate the development of the people to achieve as much of their potential as possible under given circumstances.

Accordingly, those persons who are better endowed materially; those who are more articulate and autonomous; those with greater access to a variety of options, are all more capable of achieving their full potential than others. The responsibility of the Government in such circumstances is to ensure an environment that is free and fair so that the largest number of persons can thrive for the good of all.

It is in those circumstances where social groups and individuals are materially and socially at risk, that the Government's policy on social development must be more proactive, structured and forceful, and aimed at assisting such individuals in the long run to help themselves, to self-sufficiency, independence and self-actualization.

The social development policy of the Government of Trinidad and Tobago is therefore more structured and focused on groups which are at risk materially and socially. The most significant of these being the poor, the elderly, the disabled, social groups, women heads of households, children in vulnerable circumstances, and the unemployed.

With respect to the policy of this Government in relation to poverty, Mr. President, the National Social Development Council was launched in October,

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

1996. It is an interministerial committee which is concentrating on poverty. This council has been established to create a plan:

- for the eventual eradication of poverty;
- to work with all line ministries to address poverty from several areas simultaneously;
- to work with international organizations in their efforts against poverty;
- to co-ordinate activities related to poverty eradication so that a more focused attack can be achieved.

In this regard, there are several immediate strategies which were adopted to reach the poor who are categorized in various groups.

I start with the elderly. One of the policies of this Government is assisting all elderly persons over age 65 years, with an annual income level of \$5,000 or less. We have also taken a policy decision to expand the net of persons as wide as possible, and to increase the period of time permitted out of the country from two to five years to have people still eligible to receive assistance.

We have also taken a policy decision to increase the quantum of assistance from \$356.15 to \$420. This is the first increase in four years. In 1992, the pension of the elderly was increased from \$315 to \$347, an increase of \$32, or 10 per cent over the previous level. The increase for 1997 is approximately \$64, or 18.4 per cent over the previous level, yet some say that this is no real increase. The cost of this increase is approximately \$50 million.

This is a true and substantial increase, Mr. President, given the assurance from the Supermarkets Association that food prices will not increase following the marginal increase in fuel costs. The cost of public transportation should also not increase, since there should be a saving experience between the removal of the licensing fee and the marginal increases in fuel. In any case, the majority of elderly persons receive free bus passes for the public transport system and should not suffer in this regard.

There are also provisions for tax exemptions for senior citizens to include interest on loans secured by bonds and other similar instruments. This Government has plans to raise not only the quantum, but also the limit of pension payments to the elderly in the future as resources become available.

In relation to the disabled, this Government inherited a system in which disabled persons had to attain the age of 65 years before qualifying for assistance.

Except for blind persons, all disabled persons were assessed on similar criteria as those for the elderly. A policy decision was taken by this Government to reduce the qualifying age for the receipt of assistance for all disabled persons from age 65 to age 40 years, thus expanding both the width and the depth of assistance. This measure covers approximately 2,000 persons at present and by the end of 1997, this will reach approximately 5,000 persons. The quantum for old-age pension, disability and assistance grants would cost \$424 million in 1997.

In relation to the unemployed, Mr. President, several approaches have been taken covering various ministries. There is:

- Skills training for persons of the URP. This is controlled by the Ministry of Works.
- Mandatory provision of funds for skills training by foreign firms which invest in the energy industry, and this of course is under the control of the Minister of Energy.
- Expansion of post-common entrance places or post-primary centres and this is under the control of the Ministry of Education.
- Entrepreneurial skills development; the Ministry of Community Development.
- Small Business Development training opportunities, again with Community Development and other ministries.
- Encouragement of self-employment.
- Innovative programmes for adolescents and retired persons, again with the Ministry of Community Development.
- Re-introduction of the employment allowance which is now increased to 200 per cent of wages.
- National Skills Development Programme for heavy industry and advanced technology. This is to be expanded in 1997 under the Ministry of Education.
- Programmes in agriculture.

Mr. President, this is the evidence of the interministerial attack on poverty and unemployment.

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

In relation to women heads of households, there has been, particularly in my Ministry:

- the promotion of self-employment;
- emphasis on the training of women;
- construction skills training programme for women, where women are trained in the various areas of construction to meet the construction boom which is coming.

We also have for women:

- business management courses;
- access to the export market, particularly in the relief centre programme;
- an increased access to grants for the start up of micro enterprises, particularly through Fund Aid.

These areas of activity related to women heads of households will be expanded later.

In relation to service and support to NGOs, the policy of this Government is to work with, and through NGOs, and to support their work. Several NGOs are represented on our Government's Multipartite Commission. This Government is so mindful of its support to NGOs that with the removal of the tax exemption to charitable organizations—this facility which has been abused and used corruptly by some of these organizations—the Government has identified a specific and special sum of \$10 million which will be lodged with the Ministry of Social Development from 1997 for access by NGOs.

I want to repeat that because several NGOs have approached me with concern about this removal of the tax exemption from charitable organizations. The Government has put in place a special sum of \$10 million for access by NGOs and this is in addition to the help that NGOs are already receiving, so NGOs should not suffer by the removal of this tax exemption from charitable organizations. All they need to do is to apply with their programmes.

9.20 a.m.

Sen. Prof. Spence: Mr. President, I apologize for interrupting the hon. Minister during her contribution. The Minister has, in my opinion, cast rather serious aspersions on the NGOs, when she said that some of them are corrupt. If

she is going to do that, she ought to be more specific instead of making general comments.

Dr. The Hon. D. Phillips: Mr. President, this is a misunderstanding of what I intended to say. What I intended to say was not that NGOs are corrupt, but that those companies which are given tax exemptions through deeds of covenant to charitable organizations sometimes abuse that facility.

Hon. Senator: That has not changed.

Sen. Prof. Spence: That is not what the Minister said.

Dr. The Hon. D. Phillips: This is what I mean, the deeds of covenant; and I am not casting any aspersions on NGOs; it is certainly not my intention.

Sen. Prof. Spence: But the Minister said companies still have deeds of covenant.

Dr. The Hon. D. Phillips: Mr. President, in relation to our thrust for groups that are marginal and are materially and socially deprived, we have developed a Relief Centre Programme. This was developed by the Ministry of Community Development, Culture and Women's Affairs. When we came into office in November 1995, several soup kitchens were just recently put in place. This Government, through the ministry, has changed those soup kitchens into what we call relief centres, and created a Relief Centre Programme. This programme can also be carried on outside the centres and in communities. The programme includes nutrition, that is, the provision of hot meals; skills training, personal development, product development and market access. Persons are supported at all stages of the programme.

The number of graduates in skills training for 1996, after one year in operation, was approximately 536, and the number of persons who have graduated out of the programme, that is, who no longer need nutrition, and so forth, and who can support themselves, was approximately 10 who have created viable businesses in this year. These were some of the policies implemented to assist in the social development of those who were at risk.

I now move to the areas for which I have major responsibility. I start with community development. In my last budget address, I made several observations in the area of community development, particularly concerning the pattern of distribution and use of community centres throughout Trinidad and Tobago. I noted then that community centres were largely inaccessible to the wider

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

community and that their distribution was skewed, particularly in relation to the 12 large new complexes which were then—that is in 1995—in various stages of completion. For example, in relation to distribution, five of these 12 complexes are located in county Victoria alone.

In 1996, my ministry embarked on a series of consultations within the communities. We recognized and supported all community groups which carried out legitimate community work. We embarked on a process of dialogue with the National Association of Village and Community Councils in order to obtain a resolution on the use of community centres and involvement of the entire community. In this regard, we installed boards of management—and this is the first time that this is being done at the community level—in the community complexes, 10 of which are now operational and two of which are to be inaugurated before the end of the year.

We are preparing for the launch of a national consultation on Gender and Community in January, 1997. This will pave the way for the preparation of democratizing and widening the affiliation to the councils and access to centres by all community groups. We are also moving to giving legal status to the community organizational structure. In this regard, centres and complexes are to be kept open and active all day and are to schedule their use. Managers are being put in place to run the complexes.

In 1997, after the consultation, we will commence with the implementation of these plans and, indeed, for the legalization of the community organizational structure; and this is for the first time. Legal status has been the cry of the village and community councils for many years and this is what we intend to do in 1997.

Still in the area of community development, a Community Centre Enhancement Programme saw the completion of Phase I of repair works in 18 community centres. I will just name a few: Chickland, Springvale, Carapichaima, Todds Road, Longdenville, El Dorado, Tacarigua, Blanchisseuse, Grande Riviere, Bagatelle, Matelot, Marabella, Gasparillo, Never Dirty, Nestor, Five Rivers, Morvant and Guaico, Tamana.

In 1997, we intend to repair the following 13 centres: Mafeking, La Paille, Basseterre, Cunaripo, Vessigny, Balmain, La Lune, Navet, Enterprise, Mendez, Cap-de-Ville, La Tosca, Lower Cumuto.

In relation to Community Centres Construction Programme, in 1996 we were still using some of the EEC funding provided which started in 1995. As I said

before, we have installed boards of management in 10 of the 12 complexes; the other two to be done before the end of the year.

In 1997, \$2.8 million of the recurrent expenditure will be spent to support these complexes. In 1997, we are going to continue the construction of 10 centres with local funding in the following areas: Mon Repos, Fyzabad, Morvant, Cascadoux/Kernahan, Trincity, Ecclesville, Warrenville, Marac, Aranguez and Maturita Triangle.

In relation to the Community Education Programme, 7,500 persons received training under the domestic support component of the programme and 1,200 persons received training in upholstery, food preservation, leather work, joinery and auto repair under the entrepreneurial development component of the programme. In 1997 we intend to continue this programme and also to begin to take persons beyond training into market access.

Still with community development, we have an Export Centre Programme in which there are 12 export centres which became operational this year, training approximately 120 persons in various areas of craft, such as batik and burlap production, garment construction, jewellery, and so forth. The export markets which are receiving products from this programme are the Cayman Islands, Jamaica and Bahamas. In the Cayman Islands, there are 10 businesses; in Jamaica, 21 and in Bahamas, 10. In 1997, we hope to have all the 15 export centres fully operational and training will continue. We are to begin a new recruitment of people to be trained in 1997.

9.30 a.m

Terminal Malls Programme continued largely in 1996, with infrastructural facilities: electrical and plumbing, and so on. In 1997 we hope to have all four terminal malls fully functional and refurbished, and occupied by small-scale commercial activities.

Under the National Commission for Self-Help, in 1996, 358 infrastructural social projects were completed throughout Trinidad and Tobago. This Government is in the process of forming a company called The National Commission for Self-Help, and the instruments for doing so are with the Attorney General. This would allow the company to access \$8.5 million funding—additional to the Government's subvention—available under the Community Development Fund.

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

We have two special projects, Mr. President. A Geriatric/Adolescent Partnership Programme, by which 250 persons have been trained in basic care of the elderly in 1996. In 1997, we want to continue this programme, and also look towards the creation of a care agency, where these people can be available to service individual homes and institutions as the need arises.

There is also a Retired Adolescent Programme, which is still being implemented where retirees with various skills can use them to assist needy adolescents who are in trouble.

In relation to the Village Council Movement, Mr. President, we had consultations in 1996 to examine the issue of giving it legal status, and to increase the affiliation of all community groups to village and community councils. However, we are emphasizing the need for democratization, opening up, expansion of this movement to full activity. This process is to be improved in 1997, particularly the drafting of relevant legislation which has already been passed by Cabinet.

In the area of culture, Mr. President, I want to note the comments made by some of the Members, for example, the Member for Laventille West, during her presentation said, and I am quoting from *Hansard*:

"This Government has made no clear policy statement on culture...the fact that the *Medium Term Policy 1997—99* as outlined by this Government has been limited to three sentences, it is a clear indication of ignorance, a lack of ideas, creativity, or a deliberate ploy to use culture as a political football."

Mr. President, in relation to the policy statement on culture, one of the major achievements of this Government in 1996 was the creation of a draft policy on culture, upon which the direction and future of culture will be structured in Trinidad and Tobago. This draft policy is shortly to be proposed for national consultation.

Mr. President, we recognized that over time it had become evident that there was urgent need for national policy on culture, premised on a philosophy of the nature and contribution of culture to the society and on the direction in which national efforts should be channelled in the development of culture in Trinidad and Tobago. In April, 1996, all of the known major cultural groups and organizations were invited, by a letter signed by this Minister, to submit their views on the type of cultural policy to which they subscribed for Trinidad and Tobago in relation to their particular cultural activity. Comments were to be received at the end of July

1996. Some organizations commented, others did not. A committee was put together, chaired by the Director of Culture, and also taking into account previous work which was done on development of culture.

Now, Mr. President, we have a document—a draft national policy on culture—which has already been distributed to several organizations for comments which we intend to put to national consultations. Of course, it may be modified in the process, but that is all part of the democratic process. So we do have a policy on culture and, indeed, Mr. President, in the first year in office, we have been able to create this policy which was not at all in place before.

The comments by the Leader of the Opposition, the Member for Laventille West, and also Sen. Mannette, in relation to the proposed National Steel Orchestra, were all derogatory. I quote the comments by the Member for Laventille West. Just a few points, from *Hansard*:

"We are dealing with thousands of panmen, each one a genius in his own right. How does the Government expect them to react when they find themselves not being able to gain a place on the national steel orchestra? I do not believe that this Government truly considered this issue. This policy amounts to nothing more than petty politics."

The Leader of the Opposition said, of course, that the national steelband was nothing new. Indeed, the concept of a national steelband is an old one. In 1962, the then George Goddard who was President of the Steelbands Association, and advisor to the then Prime Minister, did have this idea of a national steelband. The band toured Lake Michigan in the USA, and so forth. However, the national steelband idea faded, owing to the fact that the pannists were not supported by the Government in terms of full-time employment. Mr. President, this Government intends to create a national steelband and to have the members of this band fully employed by the state, full-time, and in full activity.

In relation to the pan conservatory which, again, is one of our proposals for 1997, Members on the other side claimed—and again I have the quotations—that this was lifted out of the PNM Manifesto. However, the idea of the pan conservatory was brought about by the Ministry of Community Development, Culture, and Women's Affairs, in discussions with Pan Trinbago in 1996, and will be a reality.

Again, I am dealing with comments from the other side in both Houses. I have a quotation here:

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

"The PNM has a policy and a vision for culture and the arts. This Government has none."

I note, Mr. President, that from 1956 to 1986, when the PNM Government was fully in power, no cultural policy was ever produced. In 1996 a cultural policy has been drafted, and this policy is soon to be discussed at a national symposium.

In relation to the carnival institute which is another proposal for 1997, the Leader of the Opposition stated that the institute would be beneficial to some, but that it would not assist the masmakers who seek to earn a living by travelling to carnivals throughout the world. The Leader of the Opposition obviously does not understand the concept of a carnival institute as articulated by this Government. The institute, by co-operating, and being in touch with carnivals and carnival organizations overseas, will certainly bring more employment opportunities to our carnival masmakers by organizing tours and workshops for them.

9.40 a.m.

In 1996, even though the institute has not been officially launched, our masmakers, through the Division of Culture, were sent to Tortola, St. Croix, Nevis, St. Kitts and Miami. Our calypsonians were sent to Miami, London, San Francisco, Barbados and the United States of America while workshops were arranged in the art of calypso and steelband in Tortola, Miami, Nevis and St. Kitts. Indeed, Mr. President, right now, for Christmas 1996, for the last two weeks we have had masmen and calypsonians in St. Kitts doing workshops to help them in the production of their carnival.

Furthermore, the Leader of the Opposition—

Sen. Mohammed: Mr. President, on a point of order. The hon. Minister is quoting extensively from the debate which took place in the Lower House and some of the Members she is referring to are not here to defend themselves in terms of what they said and I object to that.

Mr. President: What is the Standing Order?

Sen. Mohammed: I am looking at Standing Order 35.

Mr. President: What part of it?

Sen. Mohammed: Mr. President, it is not specifically stated, but certainly, the references being made are quotations from the *Hansard* of the Lower House, and

she is quoting extensively. If it is that they are matters that have been reported in the newspapers under these circumstances, we would not object.

Mr. President: I think the hon. Minister has caught on. The practice has been that the quotations from the other House should not be delved into as it is not the policy.

Dr. The Hon. D. Phillips: Thank you, Mr. President.

This Government is bent on the promotion of cultural tourism. The aim is to empower our citizens by first developing their sense of self. The Government's thrust in this field is manifested in the St. James Renaissance Project which was recently launched and our plans for a cultural theme park in Trinidad and Tobago.

Mr. President, still in the area of culture, we carried out a full-day activity in relation to the Independence Day celebrations in 1996 for the first time. We supported all cultural festivals and, indeed, there was unprecedented support in the area of Emancipation Day celebrations.

The Prime Minister's Best Village Trophy Competition was supported and expanded and we carried out workshops for the improvement of the skills of those who perform. In 1997 we intend to make this a real village competition with most of the villages represented.

Mr. President, in relation to exhibitions, we hosted a three-tier carnival exhibition: steelband, calypso and masquerade. Fourteen schools were involved in the Pan School Project for 1996 and this is to continue with the addition of 20 schools. Again, I must note that this is not compulsory, the schools join as they see the need to.

Structural work continues on the National Museum and Art Gallery in the area of renovations to Fort St. Andres and we hope to expand this in 1997. With respect to the National Archives, accommodation for the record centre was completed in 1996 and we needed to deal with the National Archives legislation. This was completed in 1996 to be enacted in 1997.

Mr. President, another achievement in the area of culture is that we created a Pan Clinic which is largely community-based and offers teaching/training in the art of playing pan. This project was to create employment for skilled pannists in the communities who have nothing to do; they can train people in the art of playing pan.

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

In relation to the National Heritage Act, we tried to implement that Act by putting a board in place in 1996 but found a fundamental flaw in the Act which is largely in the area of the creation of the board itself. We are very much bent on having this Act put in place but because of that flaw it was difficult. We want to improve the Act in 1997 and have the National Heritage Project fully activated.

In 1996, as well, we agreed in principle to the purchase of the Biswas House. In this area negotiations are still in place but have reached a fairly high stage of advancement and will soon be put in place in 1997.

Our major plans for 1997 in the area of culture, therefore, are the implementation of the culture policy; the creation of a national steelband with full-time professional performers paid by the state; and the concretizing of plans for a national pan conservatory. We have a home for the Trinidad Theatre Workshop at the old fire station headquarters; support for the University of the West Indies' Creative Arts Degree with pan as the chief musical instrument; construction of a theatre for the creative and performing arts; and the creation of a carnival institute.

In addition, Mr. President, there has been a considerable amount of concern and insecurity among the local steelband fraternity the general pan-loving population in Trinidad and Tobago, as well as among nationals abroad, about the ownership of the steelpan locally and internationally. We found that pan is rapidly becoming a recognized and accepted musical instrument in many parts of the world, particularly in Britain, Japan and the United States of America and pan music is taught as an official course in several universities throughout the world. Pan technology is now being perfected internationally.

9.50 a.m.

Although Trinidad and Tobago is the birthplace and home of the steelpan, and the latter has been named a national instrument, there is still in some quarters, fear and uneasiness, that we are losing out to other countries in claiming ownership of this particular instrument. As a musical instrument, the steelpan is over 50 years of age and, therefore, cannot according to law, be patented, unless there is modification to its structure, which would render it a new instrument. We found that this option was not feasible in Trinidad and Tobago in the near future. We have therefore embarked, Mr. President, on discussions with Pan Trinbago, to look at the feasibility of including the symbol of the pan in our national coat of arms. This is where we want to go with culture for 1997.

In the area of women's affairs, our major achievement for 1996, is the institution of a domestic violence programme. This was implemented initially at the

end of August 1996, and we have approximately 200 calls per month on the Hot line, which is available 24 hours a day. We engage in the training and employment of telephone listeners, and the training of police officers. We have had two workshops so far, for the police. We also engaged in the involvement of police in emergency cases, and shelters as emergency back-up.

We have a medium-term programme which involves public awareness and another initiative we took in 1996, was the formation of a male support group. We recently launched a male awareness programme which relates—because we are of the view that the problems of domestic violence cannot be attacked by concentrating on the impact on women alone. We know that we must look at men and their problems as well, and we must create a space for them, not only in the programme, but in the ministry. The new measure we put in the Division of Women's Affairs was to create this space for men and men's issues, because we think that gender issues, which relate to the impact of the various arrangements in society, on men and women must be addressed by our division.

We also had ongoing strengthening of the Division of Women's Affairs. In relation to this, we employed a male officer who is also working in the domestic violence programme. We created a national policy on gender and development, and contributed to the formulation of the interministerial committee. Indeed, it is probably the reformulation of the interministerial committee on gender and development, as well as the National Council on Women.

Still in the area of women's affairs, we formulated a national policy on women and gender development, and a national plan of action for women and development. We want to emphasize, and we started in 1996, the promotion of the principle of gender mainstreaming in all policies and plans of the Ministry. In this area, what we are doing is "genderizing" all our programmes, by that we mean we are emphasizing the varying impacts on men and women, and we are looking at what we need to do to improve where we find problems, in the area of men or women.

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. [*Hon. W. Mark*]

Question put and agreed to.

Dr. The Hon. D. Phillips: Thank you, Mr. President and Senators.

Appropriation Bill
[SEN. DR. THE HON. D. PHILLIPS]

Friday, December 27, 1996

In the area of gender issues and women's affairs, we are looking at promoting the principle of gender mainstreaming, first in the Ministry in all our programmes and projects, and eventually in the activities of other ministries. In this regard, we have started the integration of gender in our community development and cultural programmes.

We hope to have, early in 1997, a national consultation on gender and community, and this is a collaboration between the divisions of Community Development and Women Affairs. We had in 1996, four regional preconsultations, where we brought out the people from the communities, in regions. We hope in 1997, to host the national consultation, hopefully, one in Tobago and two in Trinidad. We also hope to legitimize structures in 1997 which would adequately represent the views of the community and act as agents in relationships between the community and the central and local governments.

The counting of unremunerated work is now Act No. 29 of 1996, assented to on October 10, 1996. In 1997 we have plans for strengthening the domestic violence programme. Indeed, we want to form a domestic violence unit within the Division of Women's Affairs, and this will be responsible for the organization of the Hot line, and the listeners, as well as the public awareness and the media programmes, the legal reform that is necessary, and eventually, the inclusion in some way, of domestic violence and violence issues in the schools' programme.

In relation to the male support group, we created a male support advisory group, to advise the ministry, and to help us work on issues relating to men. This programme was launched on December 11, 1996, and ran for one week, to the 18th. Out of this we hope to have male support groups at the community levels in every community and we are thinking of using the community centres as one of the focal points for the organization of these groups.

In 1997, we want to concentrate on gender training, because we realize that many persons, including our own public servants, at all levels of the service, are ignorant about gender issues, and are not aware of the interplay of these factors in our everyday life. Many persons are not aware that gender factors are also part of the causative factors of our poverty and other social problems.

10.00 a.m.

In 1997, we want to have a gender training programme for our own staff and for the staff of other ministries and, indeed, for the people in the communities, particularly tutors and trainers so that we can spread the sense of gender

throughout all our activities. Indeed, so important do we think the issue of gender is—in fact, I am going to approach Cabinet very soon with a proposal to change the name from the Division of Women’s Affairs to Division of Gender Affairs or Gender Issues which emphasizes the importance of gender. That is the impact on both men and women of our social arrangements and the way in which those influence relationships between men and women, emphasizing the “genderization” of our activities and our interest in spreading gender implications on our communities and on our peoples.

Mr. President, these are our plans for 1997. We are now at a stage where we know what we want to do, we know where we are going and we know the direction. There are new plans in all the areas in the Ministry of Community Development, Culture and Women’s Affairs. All of them are innovative, all of them point to the direction the ministry is taking in 1997 and all of them relate to the Government’s general policy on social development.

We look forward to a very active and productive year in 1997. I thank you.

Sen. Carol Cuffy-Dowlal: Mr. President, I rise to express my support for the 1997 Budget of the Government of Trinidad and Tobago and to congratulate the Minister of Finance and Minister of Tourism for a budget presentation that reflects a government’s closeness to a people, and a government that has done a proper and thorough need analysis and a government that is willing to take decisions that are in the interest of the people of Trinidad and Tobago.

I take this opportunity to treat with the Government’s policy on housing and settlements and its achievements for the past year in office and its plans for 1997. Our Government’s policy objectives in the Ministry of Housing and Settlements are based on the principle that shelter is a fundamental human right for all citizens and in keeping with this philosophy the following objectives were enunciated:

Expansion of the housing sector by the provision of affordable homes to persons in the lower income households; and strengthening of the sector by the establishment of viable settlements and security of tenure of squatters.

The Ministry of Housing and Settlements has identified strategies for the implementation of its policies on housing and settlements. These include:

- development of a land bank, that is the identification of all unused lands in the country currently zoned for residential use;

Appropriation Bill
[SEN. CUFFY-DOWLAT]

Friday, December 27, 1996

- adoption of cost-efficient land-use planning and infrastructure standards which, in fact, would necessitate the revision of the current land-use planning strategy to facilitate new housing developments;
- revision of standards pertaining to the housing sector:
- establishment of an appropriate institutional structure to facilitate, *inter alia*, the effective and efficient management of housing and settlements programmes inclusive of the fast-tracking of the necessary approvals;
- pursuing of a policy of incremental development in keeping with the cultural norms pertaining to community participation, land-use and shelter construction;
- revision of the current procurement strategies and distribution mechanisms for service lots;
- review of building design and construction techniques to ensure that optimum use is made of indigenous resources;
- revision of legislation governing the housing sector; and
- reduction of subsidies levelled to a minimum, and where necessary, the targeting of these subsidies to identifiable households or most needy groups.

Such subsidies would be implemented in a way where they would encourage cost-recovery and increase the supply of housing; for example, differential pricing and cost-subsidizing.

- establishment and operation of well-organized and motivated community-based organizations;
- improvement of the current provision of the approved mortgage company programmes; and
- encouragement of non-governmental organizations and co-operatives for the development of well-knit communities and maintenance of homes and the enhancement of the national aesthetics;

Mr. President, these strategies are designed to:

- improve income and employment opportunities in order to provide affordable shelter for all our citizens;

- enhance the participation of all citizens in the social and economic life of Trinidad and Tobago and to improve the physical environment while, paying attention to the natural and cultural environment; and
- support sustainable development for this and future generations.

The Ministry of Housing and Settlements has adopted a holistic approach towards settlements and this involves the following components:

- sites and services;
- squatter regularization;
- housing construction;
- community facilities;
- urban renewal;
- housing finance
- streamlining of the approval processes and land information systems by housing all the main approval agencies under one roof;
- identification, appraisal and development of a new network of major link roads or highways to open up the growth poles in the country. These growth poles are the geographic areas which are demonstrating signs of increased growth; and
- setting up of private companies in partnership with the communities to develop and manage these growth poles.

The strategies and new initiatives in the Ministry of Housing and Settlements are designed to eliminate the following existing constraints which include the demand, supply and balance.

Studies undertaken have indicated that approximately 115,000 homes will be required between the period 1996 and 2005. Of this amount, approximately 50,000 units will be required by the low-income owners. Therefore, the Ministry of Housing and Settlements is very conscious of what is happening in the society and the need to address these issues to assist in providing for the people of our nation. The Ministry is also aware of the scarce financial resources for the maintenance of the existing state-owned rental housing stock. Housing subsidies have cost the country approximately TT \$286.59 million per annum.

The failure to adequately address the needs of the low-income sector has, in fact, resulted in continued squatting, unauthorized subdivision and unplanned

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

settlements. Mr. President, low-income earners have faced serious impediments in their quest for affordable shelter, such as a land market which does not supply the affordable land-use for low-income or residential development; high development standards which reduces the availability of affordable functional and usable serviced land and/or shelter to low-income groups; the unavailability of housing finance for land and shelter which cannot meet the existing standards of the regularity framework and the inappropriate land tenure system.

The Ministry of Housing and Settlements is aware of the cumbersome regulatory processes that have resulted in increased construction cost. Additionally, the approval process requires that land development and construction of housing and settlements be controlled by a regulatory framework which not only falls under the purview of several public agencies, but is governed by disparate pieces of legislation, which are administered by different government agencies. This has, in fact, resulted in a complicated and cumbersome set of procedures which sometimes involve overlapping and conflicting authority at different levels of government; something which many of us here have experienced in the past.

This chaotic situation results in lengthy waiting periods to obtain regulatory agency approvals, thus frustrating the development processes. The maintenance of the existing housing programme is also a problem that has to be addressed. We have found, in the past, that settlements were established without inputs from community-based organizations and non-governmental bodies. As a result, such settlements have not developed into integrated wholesome communities and have, in fact, created significant socio-economic and cultural problems. This situation is now being addressed by the Ministry of Housing and Settlements.

10.10 a.m.

Mr. President, the achievements of this Government in the area of housing and settlements since 1995 are in the areas of the provision of sites and services, housing construction, squatter regularization, land banking, housing finance, Habitat II negotiations and the establishment of an Interim National Physical Planning Commission.

Mr. President, during the period November 1995 to September 1996, the National Housing Authority commenced construction of waste water treatment plants at Edinburgh 500 and Caroni Savannah Road, Charlieville. We saw the Sugar Industry Labour Welfare Committee distributing 12 lots at Orange Field Road Housing Development, and infrastructure works are taking place at the Brothers Garth Road Housing Development, which is expected to yield 158 lots.

Work is also being done by the Sugar Industry Labour Welfare Committee at the Buen Venue Housing Development. Here we have found that three acres of land were acquired from Caroni (1975) Limited which are being developed into 25 lots to house extended families of barrack dwellers, because today we still have barrack dwellers in Buen Venue in La Romain.

The National Housing Authority's \$30-million Housing Construction Programme has 63 housing units at Bon Air Gardens, South Arouca being constructed. Keys for 52 housing units were delivered to successful beneficiaries during the past year.

The housing development at River Estate, Diego Martin is expected to yield 58 housing units. Infrastructure works, except road paving, are 100 per cent completed. The contract for the construction of the housing units was awarded in December, 1995 and construction is expected to commence as soon as the relevant regulatory approvals have been received.

The project at Charlieville, Chaguanas entailed the construction of 16 housing units which are 100 per cent completed. At the moment a chainlink fence is being constructed to prevent access to the highway. This is part of the requirement for the granting of final approval from the Town and Country Planning Division. Completion of the project including distribution of houses is scheduled for the first quarter of 1997.

The project at Medine Street in San Fernando is expected to yield 20 apartment units.

At La Horquette, Glencoe, the project entailed the construction of 32 townhouses which are 100 per cent completed and this is interesting and most important. This was completed within the scheduled time and cost frames. The project is awaiting final approval from Town and Country Planning Division and the regional corporation, which is anticipated in January 1997.

The Accelerated Housing Construction Programme, Ramdial Mahabir Phase II, housing project involves the construction of 48 apartment units which are 99 per cent completed.

The project at Cook Street, John John entailed the construction of 23 apartment units which are 100 per cent completed. Arrangements are being made for their disposal, taking into consideration the best interest of the community.

The project at Almond Drive, Morvant is expected to yield 96 apartment units. Infrastructure works are completed and physical construction is expected to

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

commence shortly. This project was reviewed and redesigned, which left the country and the ministry saving \$5 million, although we kept quality and style. This project is expected to be completed in 18 months.

The construction of high density units at Tunapuna is expected to yield 96 apartment units. The targeted completion date is April, 1998.

The Champs Fleurs project is expected to yield 100 apartment units. The project was reviewed and redesigned during the past year. Completion is now anticipated in June, 1998.

At Aranguez, the project is expected to yield 250 apartment units. Expected completion date is December 31, 1997.

The joint venture programme involves the construction of 549 houses at 10 sites with private sector developers as follows: *[Interruption]* Mr. President, I am hearing a comment about cost. I would hate to think that Members on the other side or on the Opposition Benches are asking us about cost. We have just saved this country, in the Ministry of Housing and Development alone, over \$10 million. Our projects have been reviewed and redesigned.

With respect to the joint venture programme: Sangre Grande, 57 units; Plaisance in Mayaro, 44 units; Rio Claro, 41 units; Wallerfield, 101 units; Debe in Penal, 47 units; Strikers' Village in Point Fortin, 29 units; Buen Venue in La Romain, 82 units; Belle Garden in Tobago, 12 units; Palo Seco, 19 units and Valencia, 117 units, giving us a total of 549 units—and this is a Government for the people of Trinidad and Tobago, as our projects would so indicate.

The designs of the houses were received from joint venture partners for four sites at Graham Trace, Sangre Grande; El Guayanapo, Rio Claro; Strikers' Village, Point Fortin; and Buen Venue, La Romain. Approvals were granted to beneficiaries of units for the Sangre Grande project.

At Valencia 87 units are 100 per cent completed and an additional 16 units are 65 per cent completed. Drainage and remedial works to infrastructure are in progress and the marketing of these units is being undertaken by the joint venture partner. Beneficiaries have already occupied 52 units.

At Buen Venue 18 units were completed and approved by the local authority. A total of 17 additional units are under construction. Beneficiaries have occupied almost half of these units and sales agreements for the 47 remaining units have been completed and are pending mortgage agreements.

Under the Sugar Industry Labour Welfare Committee we have found that over the last year, 63 3-bedroom houses have been completed at a value of \$4.4 million. An additional 56 dwelling houses are under construction and have reached advanced stages of completion. Three hundred and fifteen low and middle-income sugar workers and cane farmers have benefited from soft loans for home construction.

Repairs, renovation, and extension works were completed on 57 dwelling houses. Loans for these works amount to \$1.4 million, and 285 citizens benefited from these repairs, renovation, and extension loans.

With your leave, Mr. President, the Ministry of Housing and Settlements would like to go on record to congratulate the National Housing Authority, the Project Execution Unit and the Sugar Industry Labour Welfare Committee for sharing the vision of the Ministry of Housing and Settlements and assisting in implementing the philosophy and policy of the said ministry.

Mr. President, with respect to the regularization of squatters, in January 1996, a Bill was prepared with respect to the regularization of squatters. The purpose of the bill is to grant squatters security from ejection and in the final analysis, security of tenure for certain designated areas upon state lands. This purpose is to be realized through a three-phase process:

- (1) The issue of a certificate of comfort;
- (2) The grant of a statutory lease for a 30-year period; and
- (3) The grant of a deed of lease for a term of 199 years.

This Bill is currently before Parliament.

Mr. President, a database on squatters on both public and private lands is currently being undertaken by the Ministry of Housing and Settlements. To date, data on 2,000 persons have been accurately entered into our data bank.

The National Housing Authority is engaged in planning and engineering works on six sites throughout Trinidad. Layouts at Graham Trace, Sangre Grande and KP Lands, Valencia, have been completed.

Upgrading works at Wallerfield, Morvant Old Road and Bon Air, Arouca are 90 per cent completed. Investigations were made into title to 832 properties at Dundonald Hill, 652 at Five Rivers and 196 at Arouca with a view towards

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

regularization. Eligible beneficiaries were identified for possible leasing at Alexis Street, Morvant and Madras Settlement, Cunupia.

The Project Execution Unit has 11 squatter sites. The general plans for all of these have been completed while subdivision plans on most sites are still being processed. Roads, drainage and water reticulation systems have been completed on six sites. Sewer treatment plants have been installed on four sites, while lot disposal systems have been installed on three sites.

Registration for surplus lots has been undertaken on five sites and is ongoing for next of kin applicants on the remaining six sites.

10.20 a.m.

In the area of squatter settlements, the Sugar Industry Labour Welfare Committee has accomplished the following to date:

Settlements	No. of lots
Tarouba Housing Settlement	35
Dow Village Housing Development Extension	10
Picton Housing Development Settlement	10
Union Hall Housing Settlement	8

In the area of squatter regularization, the work of the Sugar Industry Labour Welfare Committee and the National Housing Authority continues.

Early 1996, a land bank was established. The first set of maps of state lands have been received. The areas being concentrated on are in the East/West Corridor and the Southern East/West Corridor, from San Fernando to Mayaro. These maps are now being digitized.

By Minute 1341, dated May 23, 1996, Cabinet agreed to the recommendations of a steering committee appointed to monitor, supervise and review the research work with respect to the study by PADCO and Laughlin & Associates. In brief, the recommendations were as follows:

- (a) strengthening the approved mortgage companies programme;
- (b) establishing a strong mortgage indemnity insurance scheme;
- (c) lowering mortgage purchase limits established by the Home Mortgage Bank;

- (d) targeting subsidies to support strategic programme implementation;
- (e) strengthening credit union housing finance and mortgage credit facilities.

The work of the Ministry of Housing and Settlements has not only been national, but also international. Trinidad and Tobago was an active participant at the Second United Nations Conference on Human Settlements, Habitat II which was held in Istanbul from June 3—14, 1996. I am pleased to report that for the first time one can find written and documented evidence of the philosophy and policy of the Ministry of Housing and Settlements. This was contained in the Country Report presented to the Habitat II Conference in June, 1996. The Ministry of Housing and Settlements in collaboration with the United Nations Information Centre and the United Nations Centre for Human Settlements co-hosted a regional media conference on May 9 and 10, 1996, to promote regional media coverage, and awareness of Habitat II. The ministry also played a major role in the negotiations on the Habitat agenda and the plan of action until 2000 and beyond. During November 12—15, 1996, the Government, through the Ministry of Housing and Settlements attended the Fourth Conference of Ministers of Housing and Settlements of Latin America and the Caribbean, and again influenced the preparation of a regional plan of action for human settlements for the 21st century.

In keeping with the mandate enunciated in the 1995 elections manifesto of the United National Congress, a committee was established to look into the feasibility of the establishment of an independent national physical planning commission. On October 17, 1996, Cabinet agreed to this said commission with the following objectives: to prepare a comprehensive and integrated physical plan for Trinidad and Tobago; to develop codes of appropriate building construction standards and practices; and, to ensure that all persons and agencies concerned adhere to both the requirements of the national plan, and the codes of standards and practices.

The interim National Physical Planning Commission in collaboration with the Faculty of Engineering, University of the West Indies and the Joint Consultative Council on the construction industry recently hosted a national physical planning symposium at the University of the West Indies. The symposium discussed the policy and planning framework for national physical development, and the requirements for updating the existing framework in the national physical development plan in keeping with the new policy directions. It also advanced strategies for implementing these policy directions. All major organizations involved in the physical development of Trinidad and Tobago participated.

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

Mr. President, what are the plans of the Ministry of Housing and Settlements for 1997? Having dealt briefly with the achievements of the ministry, may I, with your leave, deal briefly with some of the plans and projects for 1997. The Project Execution Unit will be engaged in ongoing discussions with the Water and Sewerage Authority and the Trinidad and Tobago Electricity Commission, with a view to providing all sites with pipe-borne water, functioning sewerage treatment plants and electricity, so that shelter construction can proceed. The target date for completion of this exercise is June 1997. The Project Execution Unit of the ministry in collaboration with the National Housing Authority will develop and distribute 320 serviced lots in 1997. During this period, the Sugar Industry Labour Welfare Committee intends to develop and distribute 215 fully serviced housing lots.

The National Housing Authority in conjunction with the Project Execution Unit and in joint venture projects with the private sector will construct and distribute 300 core houses, and 144 full houses in 1997. Additionally, technical assistance towards shelter construction will be given to beneficiaries of lots in the form of surveying of land; legal advice where necessary; negotiating with private land owners; formulating of community groups; sale of house plans and the supply of materials listed for construction.

The Sugar Industry Labour Welfare Committee will grant soft loans for the construction of 450 three-bedroom hollow clay block houses on reinforced concrete pillars, as well as provide regular loans to carry out repairs, renovations and extensions to approximately 195 dwelling houses.

The National Housing Authority's proposed programme for the regularization of squatters is two-fold: regularization of land tenure for 1,500 squatters in 1997, and upgrading the infrastructure of squatters' communities, specifically 750 lots, in 1997. The Project Execution Unit will complete development works in squatter sites, most of which deal with the provision of pipe-borne water. It would also facilitate the provision of a loan grant from the Inter-American Development Bank to enable qualifying households to access domestic facilities and fixtures. It proposes to interview beneficiaries in the squatter regularization programme, so as to ascertain who will be able to afford this facility.

The upgrading of squatter communities will involve the identification of squatter settlements which are viable, sustainable and not located in ecologically sensitive areas; carrying out a cost analysis for each community and prioritizing upgrades; installing the required infrastructure and assisting communities in the

development of their social infrastructure. Additionally, the National Housing Authority will continue its land banking exercise.

The Sugar Welfare Labour Committee will regularize the tenancy of 92 squatter families on nine of the committee's settlements namely, Tarouba, Golconda, Union Hall, Hermitage, Maloney, Picton, Orange Field Road, Petit Morne and Dow Village.

A Habitat II secretariat would be established and located in the Ministry of Housing and Settlements in 1997, so that Trinidad and Tobago can influence a housing settlements pattern for the entire Latin America and the Caribbean.

Given that the major settlement areas of the country are included in the land bank, information will be available to facilitate the land distribution programmes. Arrangements are being made for the opening of the country for development. In this effort the following would be undertaken by the Ministry of Housing and Settlements in principle:

- (a) the establishment in all growth poles of autonomous private development corporations in which the Government of the Republic of Trinidad and Tobago would hold shares in the name of the Corporation Sole;
- (b) the commencement of construction of a new San Fernando/Princes Town Highway at an estimated cost of \$60 million as the first stage of the improvement of road access between San Fernando and Mayaro;
- (c) the employment, on contract, by the National Housing Authority, for a period of one year in the first instance, of five experts from the People's Republic of China to provide in-house management and supervision of the project—a highway designer, a designer of dams, a supervisor for road construction, an architect/town planner and a geographic information system expert.

We would also undertake, in principle, the establishment of the National East/West Company Limited with an authorized share capital of \$10 million, and shareholding to be divided among the following with the individual quantum share capital as follows: the Trinidad and Tobago Contractors Association, 40 per cent; China State Construction Engineering Corporation (Trinidad) Limited, 40 per cent; the Government of the Republic of Trinidad and Tobago local investors, 20 per cent, to be divided between Caroni (1975) Limited and Petrotrin. The shares of

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

the Government of the Republic of Trinidad and Tobago would be held in the name of the Corporation Sole.

Project management services and technical services for the new San Fernando/Princes Town Highway would be undertaken by the National East/West Company Limited. Project co-ordination of the new San Fernando/Princes Town Highway would lie with the Ministry of Housing and Settlements.

10.30 a.m.

Arrangements are also being made with the Ministry of Energy and Energy Industries for the leasing of the Verdant Vale Quarry to National East/West Company Limited (NEWCO). It should be noted that the five professionals from the China State Construction Engineering Corporation, would be contracted to work with NEWCO for the delivery of the development projects.

Other mechanisms to facilitate the development projects, including all the data on highways, would be consolidated, and personnel involved in data preparation would be mobilized and be involved in the development process. Groups of professionals would be subdivided into expert teams to design towns in the context of human settlements. The geographical areas which are identified for growth pole development will be vested in the private company which would mobilize resources for the design of these towns. The University of the West Indies would be working in collaboration with the overall development exercise of offering relevant training programmes which will enhance the skills of persons who are engaged in the development process.

The National Physical Planning Commission would be responsible for physical planning and the Town and Country Planning Division would be the executive arm of this commission and will work in harmony with all sectors towards the development process.

In 1997 the National Housing Authority intends to undertake a radical re-orientation in the manner in which its housing units are distributed. The beneficiaries will be informed of the market value of the units and if they are unable to meet the financial requirements for the rent or mortgage, a subsidy will then be applied. The National Housing Authority will devise its own process of subsidy administration. Persons requiring a subsidy will make the necessary application and if approved, it would be granted for a three-year period. For persons to continue to enjoy this subsidy, they must reapply every three years.

The Project Execution Unit intends to implement an aggressive marketing strategy in order to mobilize all existing beneficiaries in the programme to access the construction finance loans from the Trinidad and Tobago Mortgage Finance. Awaiting for the building and construction industry is US \$16.1 million loan shelter construction component which is available for the construction of units in the country.

The Sugar Industry Labour Welfare Committee will continue to provide soft loans for housing construction, the target being 450 houses for the next two years. Ongoing discussions will be held with the mortgage companies. To monitor the approval of mortgage companies, programmes and proposals will be advanced for the establishment of the mortgage indemnity insurance scheme.

Mr. President, these are just a few of the plans and programmes of the Housing and Settlements Ministry for the coming year. The ministry appreciates that shelter is a very emotional issue and we are aware that everything that can possibly be done to afford shelter to the citizens of this country would be addressed, and every possible assistance that can be given to home owners would be rendered.

In closing, I must however, clarify two issues. One that was raised earlier relates to lead poisoning at Demerara Road. The impression was given that this matter was not addressed. I would like to report that the Cabinet-appointed committee met on two occasions and presented a report to the Cabinet. The recommendations of the committee have been accepted, and 150 core houses are to be constructed at Wallerfield. The detoxification of the site will be considered after the present community has been relocated.

Mr. President, I once more congratulate the Minister of Finance in giving the women of this country an opportunity to become more independent. If one is to examine the *Budget Statement 1997* on page 26, paragraph 6 says:

“In addition to the basic deductible allowance, the taxpayer will be entitled to claim annually a further deduction of up to \$18,000 consisting of mortgage interest payments, interest on a loan for the purpose of financing construction of a house...”

What this has done is to allow every individual householder to claim an \$18,000 deduction. The women of this country will now be encouraged to become joint owners of the matrimonial home and one would immediately find—*[Interruption]*

Mr. President, I will ignore the comment on the other side seeing that the Senator, not having exposure to the courts will not necessarily appreciate that to

Appropriation Bill
[SEN. CUFFY-DOWLATT]

Friday, December 27, 1996

be able to claim an interest in the matrimonial home, if one's name is not on the property, one would need to go to court and prove one's interest. What is happening now is that there is evidence which can be immediately presented saying that "X" amount has been contributed to the matrimonial home and one's interest is secured. The working wives and women of Trinidad and Tobago congratulate the Minister of Finance for a job well-done. [*Desk thumping*]

Thank you, Mr. President.

Sen. Rev. Daniel Teelucksingh: Mr. President, the 1997 Budget sits as a one-armed bandit on a foreign-used casino table, now repainted in the national colours of red, white and black and keeps a watchful eye on the poker table; the stud poker table; the black jack table; the baccarat table; the dice table; the roulette table; the rum 32 table and the sip san table. [*Laughter*]

Mr. President, the Government provided these names to me on page 5 of the *Fiscal Measures 1997* and the correct spelling of these names will be found there with the duties ranging from \$2,000—\$15,000 per table per annum. I will add—they must have missed this out in the fiscal measures—the more tables the merrier.

Mr. President, this is a luck and chance budget breaking new grounds and completely ignoring warnings in the past against casino gambling, a budget anxious to complete the social landscape of a fast developing luck and chance society and this is being achieved in great style. A society where in every grocery store, parlour or rumshop one will find Lotto and Play Whe machines.

The groundwork was well laid by the past PNM administration, and this administration continued their policy as it promised when it won election and is doing it well. In this debate over the few weeks, the PNM can hardly criticize casinos, for their lucky Luciano became luckless Luciano at the last election. It is a case of the pot calling the kettle black because the past administration pointed the way to casinos and during the past few years, there has been an estimated 15 houses with illegal casino-type gambling which are flourishing in Trinidad and no attempts were made by the past nor the present administration to suppress them.

Because of the policy of the previous administration, we have a society that wishes, dreams and lives by luck and chance and worships the goddess of luck. The Government of today had a chance to correct this and lost a golden opportunity.

Today's Government can confidently budget an income from the National Lotteries Control Board of \$1.1 billion dollars in 1997 and this is telling me that the Government today, as that of yesterday, promises to regulate casinos. How can it regulate the casino clientele whether tables are used for money laundering or by those who corrupt our society? Governments past and present, Mr. President, are the biggest gamblers. It collects large revenues in its gambling habits at Lottery, Lotto, Play Whe and other machines. Government exploits its citizens. Its poor citizens at the game machines are frustrated daily losers; its citizens are impoverished; it provides a placebo for joblessness and poverty; it undermines the work ethic and legitimizes laziness. Its profits are less than what it needs to rehabilitate the disappointed and repair the broken lives and homes of those who gamble as a vice and an addiction. Mr. President, last year's profits from gambling will not be enough to cover the cost of the maximum security prison. Think about that! They think that they are raising money.

10.40 a.m.

The Government is undermining its noble vision in the budget to re-establish family values when fathers and mothers, sons and daughters are led to think that they can get something for nothing and that gambling is better than hard work. Even today, families are destroyed and bankrupted by gambling addicts. This is no secret. The Government knows it and the Opposition knows it, too. Anyhow, who says that we are ready for casino gambling? We are blessed with so much natural gas, it is not funny; petroleum, lands for agriculture and occupations yet to be introduced. We can boast of tourist attractions that are unique. I do not see why they must complete the picture now with the introduction of casino gambling.

Why casinos, which are resisted in almost every society in the world? Examine the history of casino, Mr. President, and you will notice the opposition to it, before it was forcibly imposed on several communities in the world, as is being proposed by the present Government. It is flourishing in certain parts of the United States, North America and Europe, but it is still considered by many as an unnecessary revenue earner. In our case, there has been consultation with no one. I am sure that the Government consulted a few hotel operators whose business is not so much expanding tourism. I believe that what they are thinking about is increasing their profit margins beyond imagination. I do not think that they are concerned about tourism and the development of the society. They are thinking about themselves, and their lobby with Government is very strong and noticeable.

Appropriation Bill
[SEN. REV. TEELUCKSINGH]

Friday, December 27, 1996

Mr. President, within the past month there have been very strange, unpopular measures taken by our Government to boost hotel tourism. Why this is so favoured at this time over eco-tourism or festival tourism is glaring. Just remember this! The time will come—it has come for many nations which have introduced casino gambling and then more tourist destinations introduced casino gambling—when it will no longer be an economic stimulus for Trinidad and Tobago. We will have to devise something new. Casinos will be common. The long-term benefits are better if we develop tourism resources that are indigenous and unique.

Possibly our most historic legislative achievement in this nation for this decade is the recent empowerment of the Tobago House of Assembly. It is not perfect, but it has its virtues and the THA elections were conducted with dignity, even in darkness. Without doubt Tobago is targeted for casino gambling. That is a major decision with far-reaching consequences. We have spent so much time discussing the Tobago legislative arrangement—Tobago belongs to all of us—that I ask: was the new or the former Tobago House of Assembly informed of this decision? Was there any consultation, or is this another legislative imposition—something that is strongly resisted by Tobago?

All of us would have read a comment on December 15, 1996, in one of the newspapers, where a former Assemblyman said of Tobago's involvement in casino gambling, that it was totally atrocious to speak about casinos. He added that the Tobago population should rise up against any casinos coming into Tobago. We have heard Tobago residents within the last few months, in fact all of 1996, as in previous years, insist on their prerogative to self-determination. I think there should be consultation with the Tobago legislative chamber before any attempt is made to introduce that form of gambling in the sister isle.

Not within the past decade, not within my memory, has there been an almost unanimous agreement among all the religious organizations in Trinidad and Tobago, as we see today, in the condemnation of casino gambling. Hinduism, Islam and Christianity, all disapprove with fervour of Government's plan to legalize casino gambling. It will be most irresponsible, reckless, foolhardy and injudicious, then, if Government does not scrap the idea of casino gambling in Trinidad and Tobago.

On another matter, Mr. President, the most pronounced and alarming omission in the budget is its failure to address, with any degree of confidence, certainty and determination the question of the declining value of the Trinidad and Tobago dollar. Since the exchange rate broke the \$6.00 barrier on September 24, 1996,

and climbed to \$6.05, reaching its all-time high on October 21 of \$6.21, such fluctuations have been unwelcome and most disturbing, and the budget is silent. There has since been widespread concern across the nation for we know of the horrendous effects of that kind of devaluation. Amidst such uneasiness and uncertainty, the budget gives no hope for what is beyond doubt the most significant financial concern for 1997, as it was for 1996. The omission in the budget supports the view that the Government is depending on the luck-and-chance motif which looms prominently, as its underlying philosophy. Failure by the Government to give assurance as to the fate of the TT dollar makes the budget as a foreign-used car with a brand new PBB number plate. It looks good and smells new, but it holds no guarantee, for its engine can break down at any time, anywhere and no one will be responsible. It is also like the national football team—full of foreign used players and we cannot even go to France; or it is like the West Indies cricket team in Australia—full of stars and no twinkle.

Mr. President, a weak, depreciating dollar makes the 1997 Budget an exercise in futility, for a wheelbarrow of useless dollars will not even help old age pensioners. You ask me about luck and chance. The hon. Minister says:

“...we will liberalize further the financial sector...by encouraging an increase in the number of new players and entrants into the market...”

What guarantee do we have from the Government that what the new players want to encourage and attract will be different from the old players; that is the present players on the foreign exchange market?

10.50 a.m.

Mr. President, who says that market forces would be kinder and more gracious to Trinidad and Tobago in 1997? Only luck and chance. There is too much at stake to gamble with the dollar value. We must regroup our energies and not surrender, completely, to the whims and fancies of the open market system. That system has too much gaming. This is a budget of gaming. Too much luck and chance. We operate in a world of speculators and they know the game better than the novices in the Third World.

Who really guarantees that the dollar will float around \$6.22 as it is now doing or perhaps even cross the \$7.00 or \$8.00 benchmark? Mr. President, the budget relies on luck and chance, casino type. It says given the underlying strength of the economy, there is no reason why the rate should not stabilize at around current levels. This is guess work, Mr. President, it is simplistic and undisguised. I think

Appropriation Bill
[SEN. REV. TEELUCKSINGH]

Friday, December 27, 1996

many of our citizens—they are not so foolish, even those in the barber shops and the market—believe that the Government really had no say in current levels, but it said that it was happy with current levels when the money was devalued and when it played games from \$5.99 to \$6.24. However, the surrender attitude of our Government bothers me because, somehow or the other, we just allow market forces to do anything with our dollar.

My most urgent question for today's economic technocrats is: Does Trinidad and Tobago have a say in stabilizing our dollar at a rate better than current levels? Let us examine our credentials. What do we have in the open market? I refer to pages 1 and 2 of the 1996 Budget. The Government says it looks good. It has agreed and accepted—I would not say it is boasting—that the economy has grown by 3 per cent in 1996. We take that to the open market, there has been an increase in petroleum and in the non-petroleum sector. The Government is saying that there is a fiscal surplus of \$523 million in 1996 when it expected only \$284 million. That is a blessing! On pages 1 and 2 of the budget, the Minister said that the Government is proud of its fiscal discipline. Inflation is being kept in check, on par with trading partners. It is in the open market, and the Government says it is doing it with trading partners and it could sit and rub shoulders with them. Our foreign reserves are close to \$620 million. That is plenty money! The Minister said that this country is blessed with an all-time high in foreign investment promises, with commitments exceeding US \$4 billion.

Mr. President, international oil prices in 1996 favoured us. How then, with almost one million plus people in this country, with all these credentials and recommendations, the Government goes in the market and is telling us that the economic policy is so right, when there is a weakening in the buying power of our dollar? What kind of success is that? What kind of management is that? I cannot understand it! However, look at the responses. The *Trinidad Guardian* in an editorial dated September 26, 1996 says six to one may not be murder, if this is not murder for Trinidad and Tobago, what then is it? This is what the bankers had to say when all this was happening and when they were raking in millions: "Do not panic". We got the same thing from the Government, do not panic. I hope one of the calypsonians makes a 1997 calypso on this do not panic business.

People are in serious trouble. All the bankers are raking in millions and the Government and the Central Bank are saying: "Do not panic". As soon as they said: "Do not panic", Mr. President, the bank's prime lending rate moved from 15.5 per cent to 17.5 per cent; but do not panic. A few days ago one of the banks

that was responsible for moving the interest rate from 15.5 per cent to 17.5 per cent, when things were bad, decided that they must lower it by 1.5 per cent and all of us said, what a wonderful thing.

The hon. Minister of Finance spoke with some assurance—when things were a little bad in the country and we were nervous about what our money was doing—that companies which had stocks of US dollars would return some to the market. He gave that assurance and they gave him some assurance. Mr. President, you know they “mamaguyed” him. However, they did not only “mamaguy” him, they “mamaguyed” the country. The Government said do not panic when the rate was \$6.05, but with the further devaluation it did not say, do not panic, it said it was a temporary slippage. Oh boy, it is like a gambler’s hope as he approaches his losses: “I will win tomorrow and today’s losses are a temporary slippage.”

Mr. President, while all this was going on, the supermarkets warned that there would be a 10 per cent increase in food prices, the Trinidad and Tobago Electricity bills were jacked up at once with a new clause, exchange rate adjustment. Do not panic! Temporary slippage! The rates and bills were slipping, but they were slipping high all the time. There has been so much economic rhetoric that I am bothered.

They said the fiscal programme is on a track—yesterday was Boxing Day—betting track. Mr. President, the fiscal programme is on the betting track. I sometimes feel that the Government was misled by its financial advisors, and the first thing the hon. Minister of Finance must do is to fire his financial advisors. I cannot understand this! How can one not focus this budgetary essential?

Listen to a common inquiry, Mr. President; many people have been asking this and it is a serious matter: Is it that some person, group or organization is attempting to corner the market by manipulating the supply of US dollars? One should comfort a concerned population in a situation like that; one should explain it by saying that companies, especially those that are foreign-owned, can keep their foreign exchange out of the local banking system. That is the explanation that should be given. It is so technical. However, when prices are going up and people are concerned that the dollar is becoming almost valueless, this is the explanation. This is a liberalized banking scenario, Mr. President. What is the name of the game? They can starve the local system and force the depreciation of the Trinidad and Tobago dollar to their advantage, and we sit and allow this to happen. A few companies may actually influence the exchange rate of the local dollar.

Appropriation Bill
[SEN. REV. TEELUCKSINGH]

Friday, December 27, 1996

11.00 a.m.

Mr. President, I am glad you did not go—the Caricom Heads of government and some of their advisors rushed to a Barbados summit a few days ago. Instead of staying at home and having a good Christmas, the Shiprider Agreement brought them together in Barbados. They said the issue was national sovereignty. I do not think they have defined what is national sovereignty. They say we have been threatened. Maybe, American aid may be withheld and we would suffer, like Cuba, another kind of embargo. The Caricom leaders have been nervous about national sovereignty, which was more important in colonial days when territorial expansion was the ambition of the metropolis. What is operating today? I could imagine all of these Caricom leaders rushing to Barbados to discuss Bill Clinton and the Shiprider. What is really operative today and a greater challenge for Caricom is to seek to maintain its economic sovereignty. That is the name of the game. The real matter before us in Caricom and the Third World countries is the control of our nation's resources: the real matter is, how much would we surrender? How much would we sell? How much would we give away? How much can we develop and have marketable in the nation's interest?

The critical concern of our peoples, beyond doubt, is the protection and preservation of our economic sovereignty and not whether a United States drug enforcement agent can fly over our air space and track down a drug lord. This is why, in this sense, recently, I believe the Barbados Summit was a waste of time—their concern about whether a drug lord could fly over their sea, or fly over their national boundary, when in truth and in fact there are people from all over the world who have been exploiting the country. How relevant is this for the fortunes of our dollar? When there was a crisis and Government appealed for calm rather than panic, Government was successful in persuading Petrotrin and the National Gas Company to rally around the nation. Maybe, they had no choice so the state enterprises brought in as much as they could, \$20 million. Merely 50 per cent of the outstanding \$45 million, Mr. President, was needed to check the dollar slide. Later, I understand, Arcadian, “ran something.”

Our largest single foreign exchange earner, Amoco, made a token response. What of the other foreign exchange earners/money spinners in Point Lisas? Tell me of their role in the present dollar recovery programme. Furthermore, how long can we make these kinds of appeals for single acts like these to repatriate some foreign currency to bail us out? How often can we do that? But Caricom leaders are

concerned about sovereignty! It is really economic suffocation that is draining the life of our island nations; the real threat is our economic well-being. Beyond the shadow of a doubt, I contend that it is unfair, unjust and cruel that companies which exploit the nation's resources, and reap favourable harvest of the country's foreign exchange earnings, can sit by and be unresponsive and insensitive to an economy under threat. Mr. President, the nation knows this.

Think of the millions of dollars in fiscal incentives. The more than generous tax concessions that we give to our principal foreign exchange earners. We change our laws in this Parliament—and I am a part of it—to make the investment climate favourable and easy for all of them. Poor and also wealthy citizens in this country suffer for years at the hands of the utilities; poor people cannot get water; rich people cannot get water in Trinidad and Tobago. Many villages are still in darkness because electricity poles do not reach them, but the foreign exchange earners get the best of water; the best of electricity; and the best of telephone service in Trinidad and Tobago. Mr. President, they obtain any kind of land space they want for their development. They get lands free but nationals are squatters while investors become virtual landowners and as Dr. Eric Williams said, “they squeeze this country dry as when you suck an orange.” This is how I interpret the state of the TT dollar and the crisis we have had, and we continue to have. Are you telling me that because they create some jobs the entire economy and country must be mortgaged to them?

Mr. President, the Central Bank, the Government and our economic technocrats cannot leave the Trinidad and Tobago dollar to luck and chance. For how long again would the Central Bank be a spectator? The drastic phenomenal changes in the exchange rate call for immediate action of some kind. This is why, I believe, it is the most important item in the budget but it is not in the budget. If the policy is to float let us have a responsible, determined, positive, deliberate approach to manage that float for the benefit of the country. We are definitely in a far better position today than when the dollar was floated in 1993. Government must devise some mechanisms to move that exchange rate down. Mr. President, around \$6.22 where one is happy, is not acceptable. Stabilizing anywhere between \$6.22 to \$6.25 is indicative of ridiculous fiscal management. We can do better. Get that exchange rate in the vicinity of \$5.00 for starters. They have got to do it.

Mr. President, the concern has been frequently expressed that the flight of foreign exchange may be partially due to the new wealth we have found and this new affluence—reminiscent of 1973—1983, the oil boom years. The new wealth

Appropriation Bill
[SEN. REV. TEELUCKSINGH]

Friday, December 27, 1996

today, brings a renewal of a taste for luxuries, and of course, they are imported. Motor vehicles head the list, and so motor vehicles occupy many pages of the budget. So much is made in the budget of the importation of foreign-used vehicles. Mr. President, and Minister of Finance as far as foreign-used vehicles are concerned—we spent so much time and it is important—environmental and consumer concerns are important. I am informed—and the Minister knows this—that a foreign-used car may cost the country about TT \$25,000 or less to bring it. This is infinitesimal when one considers the country’s new motor car bill, not foreign used. Whose taste for luxury hastens the flight of foreign exchange? Mr. President, we have never seen so many Mercedes, Volvos, BMWs on our roads. One is talking about a foreign-used vehicle costing \$15,000 to \$25,000 to bring in. There are cars on the road, driven by the wealthy, costing half a million and more. That is the real problem. The wealthy and the privileged in this country flaunt their new wealth and this is hastening national poverty. I think parliamentarians are not exempted at all. It is as if they lead this taste for foreign luxuries symbolic in the new car; the one that costs \$0.5 million and more; \$0.75 million—nobody is talking about that.

11.10 a.m.

Mr. President, I want to draw your attention to another matter which raises the question of financial management on a national level. Who in Trinidad is unaware of the serious implications for the national economy if the Clico/Republic Bank impasse is not amicably settled? The nation’s largest bank and the nation’s most powerful insurance company have, since 1989, regarded each other with sufficient distrust to make us uncomfortable with their relationship and we just sit and say, “Let us wait and see.”

Within the past months, not a single day passed in Trinidad and Tobago without some reference in the news media or discussion by the man-in-the-street about the present stand-off, particularly of its seriousness. This is what I am concerned about, its seriousness for national well being. The consequences of any disastrous result is frightening.

This is not the only one. The *Mirror* had a lead story on Friday 13, December. Its headline is in large print which so many people read. Listen to this headline: “Government can Collapse over Republic Row.” It is not the first time I am hearing this. Maybe the Government has not heard it. Elsewhere, it has been argued that the issue can cripple the nation’s economy. Does the Government

believe this, or, depending on luck and chance, we will wait to see what the outcome is and then we will intervene if it is necessary? Funny, eh?

I take seriously the opinion in the *Sunday Telegraph* of London referring to the Clico/Republic issue. Listen to this quotation. The article says, and we in Trinidad are not so stupid, we know that:

“The ferocity of this fight threatens to cripple not just the island’s aspirations to become the financial hub of the Caribbean, but also confidence in the economy itself.”

Does the Government see this as a joke? Personally, I do not, and I know many people take it very seriously. The question is, who or what in Trinidad will determine when governmental intervention or Central Bank intervention is appropriate? That is the question. We have waited for so long, maybe since 1989. Mr. President, we hope that Government’s luck-and-chance game will not take us to that time when it is too late. Government must ensure that the battle of the giants does not create a financial crisis for this country. Government must do it.

Provisions ought to be put in place immediately to protect both institutions—I am not taking sides—and ultimately the country’s financial stability, and this financial stability is at the heart of the budget; any budget for that matter. Do we need to empower the Central Bank? Then do not leave it up to luck and chance. You may advise me that this is not a budgetary issue, but financial governance and monetary stability is, in my respectful opinion, at the heart of the 1997 or any other budget for that matter.

Mr. President, my time has run out, I know, but let me just close with one other budgetary matter. I think the Government should reconsider its plan to free up over-the-counter drugs for sale at supermarkets. It comes under that heading of monopoly legislation. I am questioning, when I read that, whether this is a genuine case of dismantling a monopoly. How come, I am asking myself, when you have serious monopoly issues like telephone (TSTT), that you are looking at the supermarkets, *vis-a-vis*, the pharmacies.

I am not at all surprised that no sooner we start talking about it, supermarkets would say, “We are going to offer you cheap prices.” It is most interesting, cheaper prices for non-prescription drugs, when all of us, in this Chamber and out of this Chamber, know that on a daily basis prices in supermarkets seem to be creeping up. The game they are playing is to mislead the Government, but there has been a strong, persuasive lobby of supermarkets, especially their easy victory.

Appropriation Bill
[SEN. REV. TEELUCKSINGH]

Friday, December 27, 1996

You remember when we were talking about selling alcohol on Sundays and public holidays? They ignored every religion in Trinidad. Supermarkets have their own way with the Government. I want to know why.

Now the Government is giving in again to supermarkets. If prices for non-prescription drugs are a problem, then why does the Government not get after the Pharmacy Board and tell them to clean up their act? What about the Prices Commission? Do you have to do something like this to disturb something that has been working?

The pharmacist is a specialized profession. It costs approximately \$114,000 per year for pharmacology students at Mount Hope Medical School. Furthermore, it is most interesting that student's fees in pharmacology are subsidized by the Government. How ironical for the Government to weaken a profession that has always been there and a profession that it has supported and continues to support. There are approximately 580 qualified pharmacists in Trinidad and Tobago with a spread of about 270 pharmacies across the country.

Mr. President, our community needs the pharmacist. This is important. The Government must preserve this important institution. This is a specialized activity and we must listen to the plea of the pharmacists who see their profession as being threatened. It is not a question of monopoly. They foresee the closure of several pharmacies if they are reduced to selling only prescription drugs. I see this being possible too.

This measure is going to weaken the operations of the pharmacy to the extent where prospective students in pharmacology might just want to choose something else. Do you know what is going to happen many years down the road? This aspect of health care is safer in the hands of the specialists, I mean the qualified pharmacists. Even for non-prescription drugs, we need some kind of advice from time to time. Supervised sales are desirable, even for over-the-counter drugs.

Mr. President, I know this and you know this. Supermarkets can survive without the sale of over-the-counter drugs. They can survive. They have their own thing, whereas pharmacies are under threat by what I consider to be one of the weakest provisions of the 1997 Budget. Why should the pharmacy be the first casualty even before the formulation of our competition policy? That is a nagging question that is going to bother me.

The Government should consider this most ill-advised measure. This multifaceted budget has so much scope for serious study, for old talk, and albeit,

lots of controversy and the few areas on which I have focused are just as significant as some other budgetary matters. I am certain that the national community will continue this debate long after the new year. Thank you, Sir.

11.20 a.m.

Sen. Prof. Kenneth Ramchand: Mr. President, my comments on the budget will cover three areas. The first is art and culture, the second, certain economic issues arising from an ordinary citizen's attempt to understand the economy and the Government's plans to direct or operate the economy, and the third, education. I am very interested in arguing a case that would show the inter-connection of these three areas while establishing that none should be regarded as secondary or subservient to the other. They all work together equally towards national and individual fulfilment.

In the first part, I am dealing with art and culture and I want to address the danger of art and culture having to be justified in economic terms, as if the only way one can have art and culture is if one could get money out of it or if it can pay for itself. I then want to speak a little about the Creative Arts Centre at the University of the West Indies and the proposal to have a degree in music. Thirdly, in part one, I want to suggest that there be established an Arts Council of Trinidad and Tobago.

In many countries, the state pays lip-service to art and culture as decorative items. It uses them and the practitioners for political and nationalistic window dressing without any real conviction about their distinctiveness and their necessary role. There was a wonderful calypso by Trinidad Rio in which the state throws a lavish party and invites its calypsonians to decorate the occasion but proceeds to ignore them once they have served their token purpose. They cannot even find glasses to take a drink and they all end up in the kitchen looking for cups.

In our economic age, the state feels that it must justify its interest in education and the arts and its support for them in purely economic terms. I am about to give praise to the Government for its declared intentions in favour of art and culture. Therefore, I feel I can take a chance and quote a few phrases from the hon. Minister of Finance to illustrate what I mean by the pressure felt in many modern societies to justify education and the arts in practical economic terms. I quote from the Minister of Finance's *Budget Statement 1997* at page 13:

“Mr. Speaker, in the area of culture, one of the distinctive features of Trinidad and Tobago is its cultural diversity.”

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

And listen to this phrasing:

“Government intends to maximize this potential while increasing its employment generating capacity. In fact, Government views the various expressions of our culture, through the creative and performing arts, as avenues for both social identity and integration, as well as, opportunities for income generation and employment.”

And at page 3 of the *Budget Statement 1997*, the Minister speaks of exploiting our human resource potential through:

“converting the creative energy of our diverse cultural backgrounds into more tangible economic activity;”

Mr. President, what I am trying to show is that even in a statement that is announcing support for the arts, we are likely to find a leaning towards taking an economic view. This is hardly the place to show how impossible and wrong it is to try to quantify the value of the Trinidad Theatre Workshop or the singing of Ella Andall and David Rudder, or the poetry of Derek Walcott or the fiction of Earl Lovelace and Vidya Naipaul, or the painting and drawing of Leroy Clarke, Jackie Hinkson and Isaiah Boodhoo; the achievements of our musicians and calypsonians; the art of Peter Minshall—the roll call can go on. You cannot quantify them in economic terms. All I can do here is to assert that the arts have a major role to play in giving a people a sense of their meaning and purpose in the world; the arts have a role to play in helping the individual towards self-expression, self-discovery and fulfilment and the value of these things cannot be expressed in monetary terms and they do not need to be justified in monetary terms.

I thank the Government for a number of specific contributions that it intends to make in the field of art and culture. I am saying the Government does not have to justify it in economic terms and it tends to be wanting to do that, but I am still grateful that the contribution is being made and I want to list them:

- earmarking of the Old Fire Station Headquarters for the Trinidad Theatre Workshop;
- preliminary work on the construction of a centre for the Creative and Performing Arts;
- construction of a National Pan College or Theatre;
- establishment of a national steel orchestra;

- restoration of plans for a national library building;
- expansion of the existing two-year certificate in music to a full degree course at the University of the West Indies in which the steel pan would be the chief musical instrument of instruction.

In addition to these, the Government is involved in a number of national heritage projects, including buildings like the Naipaul House in St. James; the development of museums and historical sites and the possible rehabilitation of Nelson Island, the first stage of which appears to be the commissioning of a one-hour documentary with the assistance of the distinguished advocate of this major national project, Sen. Kenny.

I want to comment on the Minister's commitment to expanding the teaching of music at the University of the West Indies. This is to be done at the Creative Arts Centre, a unit of the Department of Liberal Arts, of which I happen to be the head. The Creative Arts Centre, under Mr. Rawle Gibbons, has reached out to the population and provided a focus for our artists and craftspeople in ways that few university departments can expect to manage. I would like to inform this Senate that in August, 1997, it is going to celebrate its 10th Anniversary with an international symposium entitled: Models for Multicultural Arts Education.

11.30 a.m.

Mr. Gibbons who runs the unit, has supplied information about the Creative Arts Centre and our needs in music which I take the opportunity to present to the Minister, to Parliament and to the nation. I am quoting from a memo from Mr. Rawle Gibbons concerning the Creative Arts Centre:

"The Creative Arts Centre as a unit of the Department of Liberal Arts currently offers:

- (a) Undergraduate majors in Music, Theatre, Visual Arts and Carnival Theatres;
- (b) Two-year Certificate programmes in Music, Theatre and Visual Arts;
- (c) Occasional courses for persons who do not qualify for admission to the regular courses/programmes, including a Vacation School in the Arts for overseas students; and
- (d) Graduate studies in arts and cultural research."

There are plans to introduce dance and film.

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

Since the Minister says that the Government is going to turn this into a degree programme, I thought I should let him know what he is promising.

"NEEDS OF THE MUSIC PROGRAMME

The Music programme (Certificate) was initiated in 1992 through a grant from the Lord Moyne Foundation. The undergraduate major in Music, which like the Certificate has its instrumental base in the steelpan, started in September 1996. Though courses in steelpan and other areas of music have been offered at undergraduate level, since 1991, elevation of these courses into a degree programme, demanded of the University:

- (a) greater confidence in the creative arts;
- (b) increased financial resources."

There are certain critical needs to be filled.

"1. PHYSICAL FACILITIES

Construction of a new Creative Arts/School of Continuing Studies (drawing attached) will cost more than TT \$27 million, of which \$8 million has been found."

I think the Minister is a very good man at doing sums. We need \$27 million, and \$8 million has been found.

"2. STAFF

At present there is one full-time Lecturer/Co-ordinator in Music...and twelve (12) part-time lecturers. With a degree programme there is the most urgent need for more full-time appointments in the particular areas of:

- (i) Steelband;
- (ii) Ethnomusicology;
- (iii) Indian music.

3. SUPPORT FACILITIES.

- (a) The expansion of the programmes has also meant over-use of the single set of pans. A second set of pans would significantly enhance our teaching capacity and service the several needs to which the Centre is often asked to respond.

- (b) So far we have been able to offer only Voice and Keyboard as secondary instruments. With a complete set of conventional orchestral instruments, pannists could receive more diversified training.
- (c) Current music education and research requires electronic and computerized study facilities to access musics of the world. Our Music Library, primarily the contribution of the defunct Caribbean Intercultural Music Institute, needs to be augmented with music, especially from other parts of the region and computerized.
- (d) A PAN LABORATORY is another pressing need which realistically, had to be placed into the second rather than first phase of building. This lab will centralize experiments being done on the instrument on Campus and in the national community."

So Mr. President, I take very seriously the Government's intention to expand the music programme at the University of the West Indies, and I am not going to allow them to just make a "mamaguying" statement in the budget. I want the Minister to know that it is a lot of money he is promising us, and we are very grateful.

Mr. President, there are so many arts in our islands, and so many cultural expressions, that it must be hard for any government to decide where it must lend a hand, or how it should relate either to the artistes or to the different organizations that serve art and culture. Although the honourable Minister, Daphne Phillips, has been working on the formulation of a national cultural policy, Mr. President, I beg to submit that there is an alternative that might work better.

I think it would be impossible to declare, beforehand, a national cultural policy that would do justice to our shifting and subtle cultural realities. The time has really come, Mr. President, for the establishment of something that we might call a Trinidad and Tobago Arts Council. This council would have responsibility for encouraging and co-ordinating artistic and cultural expressions, for liaising with corporate citizens, with artistic organizations of West Indians overseas, with the various private foundations in the island, and with foreign agencies. It would be responsible for awarding stipends or fellowships to artistes, for providing them with facilities to carry out their work, and through its activities, and the kinds of

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

things that it encourages, the arts council would be formulating, in practice, a national cultural policy which we can begin to write up subsequently.

The arts council would have committees or divisions. For instance, a literature division; a national buildings and sites division; a performing arts division. The council would include, at least, one member from each division, as well as representatives from among practising artistes, and of course from the Government, including the Ministries of Education, Finance, Social Services and Community Development. The council would seek to co-ordinate the work, not only of the local foundations, but also NGOs.

Mr. President, there is urgent need for such a council, if we wish to form a total picture of what activities are going on in the field, and if we wish to orchestrate assistance and encouragement. I look forward to the day when we will have such a body able—through its committees and divisions—to identify artistes in need of stipends to live on, while they complete particular projects.

Depending on the state and nature of the work being done, Mr. President, I would be inclined to provide accommodation and facilities in artistic colonies to be built in three or four parts of the island. So that when an artiste comes and says, 'I have begun my novel, I need six months of concentrated work to do it, could you give me a grant'. We could say, 'well, come down to the colony in Tamana, there is a maid there, there is food, *et cetera*, you have your writing facilities, write your book boy'. That is the sort of thing that we need for the artistes of this country, who have, for too long, been existing on virtually nothing.

Incidentally, before we even build those centres, we could make a booking at Asa Wright and have about five rooms there waiting for anybody who wants to finish a novel, or do a set of paintings: it is a wonderful place; if we could get the whole building that would be even better, and throw out foreign geriatrics who come there for winter. The activities of this council would begin the difficult task of discovering national cultural policy which as I said, we could formulate afterwards, rather than beforehand.

I do not think I can share as many blows as Sen. Teelucksingh, but I want now to turn to certain economic matters, and to take a general view of the budget. My general contention is that the budget statement is too committed to the socio-economic status quo, and to directions in which the economies of countries like ours are being forced to go, for there to be anything new or liberating in it. We are in a jail; we are in a debt trap, and the budget has had to conform.

I would add also, Mr. President, that some of the discussion that has taken place around the budget, has been similarly conditioned by acquiescence in what is tantamount to a surrender of the notion of sovereignty. Before the budget came out, I wrote a piece called, "Neither a borrower nor a lender be." This was not my announcement that I had become a Muslim; in fact, this is a line from Shakespeare, "Neither a borrower nor a lender be."

11.40 a.m.

Mr. President, the piece was reprinted in *The Caribbean Muslim Standard*, December 1996. I want to read two bits from it at this point, just the introduction, to drive home my general feeling about the budget itself, and the atmosphere in which it was being discussed.

"With the budget coming up, words from the fiscal stun gun have been flying from every quarter. Bright television journalists have done their pre-budget shows; the stations have moved onto the field and set the experts in all the short and silly positions to catch and mediate everything that falls off the edge of Mr. Kuei Tung's tongue; and exhausted media persons will return from covering the momentous events in Tobago to bolster the troops.

Parades, parades. The actors may switch roles, but it's the same thing every year. There will be pious utterances about poverty. There will be bold plans to ride in with the Cherokees and go round and round making noises to frighten crime. Education will get it in the teeth.

Since borrowing and lending are at the heart of all economic enterprise there will be the usual cha-cha-cha involving banks, monetary funds, interest rates and exchange rates, those inscrutable forces that call the tune and set the tempo. Lloyd Best will stop being ignorant about Walter Rodney and he will remind us that we have allowed ourselves to be driven into a dead-end. Given our existing commitments and values there can be no original thinking or new perspectives in the budget."

That was my general position before the budget came out and there is no reason in it for me to change my mind.

Mr. President, I now have some particular comments. I find there is insufficient data in the budget with respect to revenue and the public debt so that I cannot really comment properly. For instance, with respect to revenue relating to companies, a layman has to presume that companies include oil and non-oil, but if

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

one wants to know the percentage of revenue that accrues to the Government from financial services as banks, the traders or from the manufacturers, one would be at a loss. That is the kind of information I want to decide whether the banks and traders deserve a reduction in corporation tax; or whether I should only give that reduction to the manufacturers. I need these figures, I think the term is, "to be disaggregated". The failure to disaggregate these figures makes it very difficult for someone like me to understand the budget. If the Minister has, in fact, disaggregated the figures, and has used them without discriminating between financial services, traders and manufacturers, I think I would have the impertinence to question his judgment.

Mr. President, I am also terrified by the public debt. I would like to know how much capital we owe. I would like to know who we owe it to. How much do we owe the Japanese? How much do we owe this one and that one? I want to know what rate of interest we are paying. I want to know over what period we are paying that interest and when does the capital become due. I want to know in what currency we have to pay it back. I want to know if we borrow X dollars and the money devalues whether we would still be paying back that. Is it a guarantee that if we borrow US \$100 we would be paying that back? I do not know. Is the money that we are to pay back fixed, or is it subject to currency fluctuations?

I presume, Mr. President, that the amount owed—I do not know if Sen. Mark would agree—to civil servants and teachers is included in the public debt. I would like to find out from the budget statement—and I looked to see if I could find it—what steps are being taken to reduce the percentage of foreign exchange earnings that are being used to pay off the US dollar debt. At present I understand 20 per cent of our foreign exchange earnings is being used to pay off the US dollar debt, yet, I am seeing apples, grapes, champagne, whisky and all kinds of consumer items that are eating up our foreign exchange and no one is saying anything because we are liberalized.

In the budget I cannot find any indication of whether the Minister is going to do some more borrowing. My two little granddaughters, who have never spent a penny in their lives, each owes \$18,000 at the moment on the capital debt. Each of them is paying interest every year. I do not know how much money they are going to owe for capital by the time they are 21 years old and how much interest they will be owing. I do not know if by the time they reach that age, they will have to work in a casino.

Mr. President, I am terrified by the public debt. A country is not like a person. A country is a valuable piece of property. A country can borrow in perpetuity. If I go to the bank I would be told that I would die by the time I am 70 years old so they cannot lend me that amount and when I die my estate has to pay. When these fellows die the country still has to pay. So it seems to me that this policy of borrowing and borrowing and borrowing and reborrowing is a very frightening thing for a man from Uttar Pradesh like me. We used to tie up a little bit of money under a mattress or in a bag and we would count it and say that Jesus was wrong when he talked about burying your talent. If I bury my one dollar I take that out of the system. I feel I am doing a good to the society by pulling my dollar out of the system. I am not spending it; nobody is spending it; nobody is getting interest on it; it is there and it is not rotting and I am preventing inflation. I would have liked to get some clearer indication in the budget—and I hope the Minister will help me out at the end—about the nature of the public debt and how it is disposed and when, if ever, we would be able to escape from the debt trap.

Mr. President, one area about which I have some concern is that of savings. I find it onerous—and I know of many people who find it so as well—that there should be a further reduction in mortgage deduction. People bought their houses and have calculated they are paying so much interest for the next 15 or 20 years, and that their earnings are so and so and the Government drops it from 36 to 24 per cent and then dropped the mortgage deduction from 24 to 18 per cent and then tells them that they cannot get deferred annuity, pension, NIS deductions, they cannot get tax credits for credit union, unit trust and even the tax credit on bonds they are giving, I feel they may take away that too.

So, in the end, I do not know if the Government is saying that it does not want individuals to save, the Government will save and give us some crumbs when it is ready; big business will save and they will give us a few crumbs when they are ready. The Government's savings policy is being affected by the trickle-down economics. I do not know, but I find that there is a vicious attack upon savings and I have always grown up thinking of governments as people who encourage me to save. I would like to have an explanation for this shift in the attitude to savings. What is the rationale for it?

11.50 a.m.

Finally, on economic matters, Mr. President, I come to the most depressing fact that I can find about the economy, the gross domestic product. It is \$30 billion, but 35.8 per cent of our population live below the poverty line, if one takes

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

the poverty line at the ridiculous figure of \$623 a month. So taking this as an indication that one is poor, I think it means that one is destitute—35.8 per cent of our population is below the poverty line, and yet we have this wonderful GDP, so I want to know how that could be. Maybe there is some mathematical point that I am missing. We notice, that not only is there this discrepancy between the incidence of poverty and the nice GDP figures that the international lenders can see, but the poor are getting poorer and the rich are getting richer. Those rich fellows do not have to park up their Mercedes Benz or their Rolls Royce for which they pay big licence fee; they can drive them around for the value of \$585 in gas every year, because they are not paying the licence. So the poor are getting poorer and the rich are getting richer.

I read one or two things about this, and what I have found is what I know, that economics in countries like ours wavered for a while between two forces, those who were in favour of strong government intervention and control, and those who favoured liberalization of the markets, with a reduced role of government in the economy. The battle has been won by those who favour the latter. Essentially, that developmental attitude is against equity and social justice, so the point that I would make about the economic system in which we are operating is that in essence, it is against equity and social justice. The tone for this was set very surprisingly by our own Nobel Prize winner Sir W. Arthur Lewis, who in the *Theory of Economic Growth* in the fifties said: "...It should be noted that our subject matter is growth and not distribution." The beauty of rising numbers on the GDP—that is why we have a GDP of \$32 million and a poverty line of 35.8 per cent.

I do not understand these things, but I know when my money is leaking out. Something has to be wrong with a financial system and with our values, when some companies can declare massive profits, while people are starving, and when a battle between two manipulators of finance, those two institutions that were referred to earlier, which do not produce or manufacture anything, never invented anything, never planted anything, never washed or cooked anything, these fellas, having a battle over money, and they are telling me that our economy is threatened. How can it be? I would like to understand why these idlers who are just pushing pen and exchanging paper money around, and do nothing, have no creativity in them, can throttle the economy. What kind of system is this?

Something has to be wrong with the financial system that is working upon us, if we have oil and such a good GDP and our dollar is more unstable than the Bajan dollar. How is it that the Barbados dollar is so good, and ours is falling? Are

people interfering with us and our lives. There is something in the system that is giving these people licence to interfere with our lives and our work.

At the bottom of it, is the absence of social equity. I have gone through the budget and it does talk about poverty, and doing things in favour of the underprivileged, but I think that it does not go much beyond offering relief of a temporary nature, which does not change the structure of privileged and underprivileged, nor create permanent jobs, and make people proud of the jobs that they are going to do. If the Government tells me that it is going to encourage tourism and that encouragement of tourism is based upon offering our people as servants and waiters and window washers and so forth, then the Government is investing in their non-education and non-development. The budget which offers reliefs or handouts, or which offers jobs in the tourist industry, does not seem to me to be trying to affect the unfair economic structure within which we are operating.

The Minister Extraordinaire and Minister of Tobago Affairs, in a statement to Parliament speaks about this problem. I quote:

"Trinidad and Tobago has traditionally shown commitment to the provision of a social safety net. However, the focus of the programmes designed to address poverty caused by structural adjustment has been imprecise and unco-ordinated. largely because poverty issues have not been addressed by an integrated and multisectoral strategy within the overall macro-economic framework. A recent study on the delivery of social services conducted for the Government by the UNDP found that many policies and programmes often considered pro-poor are only partially so, in that the vast majority may be supportive and remedial in the short term but do not address the rehabilitative and developmental aspects necessary for eliminating the root causes of poverty".

When I look at the budget that would be one of my criticisms of what it is doing to the poor . It may be, in the short term, offering one some kind of support or remedy, but it does not address the rehabilitative and developmental aspects necessary for eliminating the root causes of poverty.

12.00 noon

It is in that context that I want to consider now—I have already begun to consider it—the so-called tourism thrust. In the *Budget Statement 1997* on page 12—and I think the Government knows I will never be a PNM or a DLP. I do not belong to any political party and if I am critical it is because that is how I really feel

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

about the whole matter. I am not playing party politics. I do not want them to say I am a secret PNM, NJAC, a communist, socialist or whatever—they could say that, that is okay. I am quoting from the Minister of Finance:

“Mr. Speaker, despite the efforts and resources we are currently expending in developing the tourism sector, Trinidad and Tobago is still faced with significant challenges and opportunities. Attracting tourism investment is always a major undertaking, particularly for a country like ours, long regarded by international markets as a destination not interested in tourism. We are targeting the higher end markets as Europe and North America in order to attract tourists who no longer regard casinos as an exotic facility of the past, but as an amenity. The more the market expects the amenity the greater the response must be from the destinations.”

If they say, “bread”, we have to say, “cheese”. If they say, “stand up O’Grady”, we have to stand up. If they say, “stoop down O’Grady”, we have to stoop down. “The more the market expects the amenity the greater the response must be from the destinations.”

The celebrated playwright, George Bernard Shaw was at a party when he addressed a beautiful young woman. He said, “Would you sleep with me for a million pounds?” She said, “Well, yes.” He said, “Would you sleep with me for 10 bobs? She said, “Do you think I am a prostitute?” He said, “No, the matter has been settled. We are only now negotiating the price.” Mr. President, I feel that we are prostituting ourselves with this tourist thing. “The more the market expects the amenity, the greater the response must be from the destinations.” So, you got your Tobago weddings, and now you are getting your casinos.

Since 1986 in my column, “Matters Arising”, I have had a bash at tourism; tourism of the sort that says, we must have the limbo dancers. If one really reads about limbo, it is a very serious dance which enacts the transportation and the destruction, the shattering of African peoples and their culture, and the way in which even in this shattered condition, they were able to slide under the bar and re-emerge with a new life. The limbo dance symbolizes the experiences of African peoples, of their survival, endurance and reconstitution of person and culture. When one goes to a hotel and one sees these ladies holding the flambeaux in their hands, their mouths, on their heads and in other places, and they are doing all kinds

of funny things under the bars, nobody could understand the meaning of this dance. So tourism forces one to present sides of oneself that tourists are looking for in the first place. They do not want to know the real you hidden in the castle of your skin. They do not want to know your inner life, hopes, fears and your dreams. They do not want to know about your past, they do not want to know about your culture. They just want you to be a spectacle, an exotic beast. You are there for their enjoyment.

I am not the only one. There are voices saying that this is one of the most wonderful countries in the world for the meeting of peoples and cultures. What we need is for a government to give us our theatres and concert halls; to encourage all our music, encourage our dance, encourage our books, encourage us to be happy citizens, living together and expressing ourselves through our art and culture, and they would hear about us. One does not have to spend a penny on advertising; too many of them would be coming. They will hear about this wonderful place and they would come.

For many years Trinidad and Tobago was one of the countries with the highest figures for returning tourists, simply because when the tourist came here, he became hooked on our culture. He became hooked on our way of life. He wanted to get more into this place. Tourists are not like people who go to Tobago and want to buy an acre of land to put up a hotel because they want cheap holidays so that they could have a room for themselves and rent out the rest to other tourists like themselves. They are people who come to know and to love this place and that is one of the great advantages if one wants to develop one's country for one's people. If one develops and protects the environment for one's people; if one develops one's culture and amenity for one's people, one will be building the kind of country and the kind of people that people would want to visit.

Year after year, I have this crackpot plan that we should tell people that the only legal tender in this country is the Trinidad and Tobago dollar, and as they reach the airport or the docks, they should drop the US dollars in the government bank.

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. Prof. K. Ramchand: Thank you very much, colleagues. We have to sit and ask: "Who benefits from tourism? What are the jobs created by tourism?" The owners of the hotels benefit from tourism. The owners of the foreign airlines benefit from tourism. The ordinary people of this country do not benefit from tourism except in an indirect and in a scrunting way. The most profitable thing that a tourist could do, is to be somebody from whom one can steal.

Mr. President, who gets the profits from the casinos? We have heard Senators Dr. St. Cyr and Rev. Teelucksingh talk about the casinos and we have heard Senators on the Government side talk about casinos. One very foolish argument that we hear, and the Prime Minister makes it too; that we accepted Lottery, Lotto, Play Whe and Pick 2, so what is the objection to casinos? The argument is false.

First of all, we did not necessarily accept those things. But there is a distinction between those things, where one can be in a hardware store and the hardware sales clerk says, "Look I have a Lotto machine here, you have \$3.00 change, buy a ticket nah." and I would say, "It must be God that send this man for me today, okay take it." Buying a ticket like that. And I go home and a week later he says to me, "Did you check to see if you won?" I did not check to see if I had won. Many people buy Lotto tickets like that. I buy Lotto tickets like that. I am a sucker for that. Anybody who comes and says, "Buy a Lotto ticket," I feel God send him and that I am going to win, so I bet. When you bet in Lotto you are not manipulating the machine, you are not smelling the rum, you are not looking at the pretty women, the blondes, the short dresses, the low-cut fronts, you are not imbibing an atmosphere, you are not getting the impression that you are winning the money. The casino has an atmosphere where one is participating in this thing.

12.10 p.m.

It was innocent but you must always tell the truth. We went to a conference. The conference centre was full. They told us to go and book in at Las Vegas, since it is free, and come to the conference. The great writer, Sam Selvon, liked it. We had free alcohol. My friend and I prepared our papers and he was drinking and chatting. They did not get anything to video from us, but I saw what was going on there.

Mr. President, there is an atmosphere, there is a world, there is a very corrupting thing. And not only that, as Sen. St. Cyr was talking about the downstream, there are all kinds. Every appetite can be catered for there. Maybe

there are no plans to do that here now, but the possibilities exist. A Trini is a good reader and a good looker at television. He is also a good imitator of what he sees on the screen and a good imitator of what he hears about, and if the Government does not plan to do it now, somebody is going to start doing it.

Mr. President, I would really like to know more about these casinos. Who is going to supply the tables and the electronic devices? Is it a foreign company or local suppliers? I feel if I was involved, that is the job I would want. Give me the contract to supply tables and electronic machines because I feel that I would make a lot out of that. Similarly with Lotto. Give me the job to print the Lotto tickets. Give me the contract, I will make a lot of money. I am going to speak to Miss Camini Maharaj and ask her to check which companies are making the money from printing the Lotto tickets and from selling the equipment for the casinos.

I have seen the scale of fees for the different tables. Does this mean, in effect, that if you pay those licence fees that casino gambling, is by that action, legalized? If as the budget says, you have to pay those fees and you go and pay those fees, do you now have a licence to run a casino? Will the casino legislation ever then need to come to Parliament? I need to know that from the hon. Minister.

Are we also going to have “one-armed bandits” and non-prescription drugs in the groceries? Can the groceries pay the fee and set up their own “one-armed bandit”? Is there going to be a tax on the turnover profit? Surely, if we are selling ourselves, we are only going to sell ourselves for licence for tables and machines. You want a 20 per cent on the turnover profits. If you are going for the high market, how many high-end tourists are there? How many hotels are going to be allowed to become casinos? How many can Tobago sustain—one, two? Port of Spain—one, two? Or is every hotel going to have a casino?

We do not have information about that from the budget, Mr. President. Are you going to pass a law saying Trinidadians and Tobagonians are not allowed to gamble in the casinos as they do in the Bahamas? If we pass such a law, how are we going to regulate it? Has anybody considered the future fate of Tobago if casino gambling gets established there?

Mr. President, if tourism and casinos are the way to deal with poverty, unemployment and crime, I have to say I do not want to deal with poverty, unemployment and crime, because we are bringing a thief to catch a thief; we are bringing poverty, unemployment and crime to push out poverty, unemployment and crime.

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

Mr. President, there are many changes in the financial system. Mr. President, how much time do I have again? Ten minutes?

Mr. President: Seven minutes.

Sen. Prof. K. Ramchand: Thank you.

Mr. President, to deal with this problem we need to look at the financial system in which we are involved. I know I am going to use up my time now, but I have to make the rest of the attack that I want to make on a financial system that depends so much upon interest and collateral.

Mr. President, I am going to read from an article to which I referred earlier, "Neither a Borrower nor a Lender Be", from *The Caribbean Muslim Standard*:

"When I was growing up, it would be whispered as something disgraceful that so-and-so had a mortgage on his house, and we would register it as a sign of financial ruin that somebody had carried a piece of jewellery to the pawnshop; we despised the sly money-lender because he grew rich on the misfortune of others, and we feared him because he was the one who would turn up grasping the piece of paper that said the house or the piece of land or the one valuable object had been signed over to him.

Our attitude was instinctive. It was also healthy and profoundly humane. We did not have the words and concepts then, but I think we must have known that we were experiencing (in this kind of lending) the signs and symptoms of an order that was unjust. Without knowing that we knew, we knew that usury was unjust, and that the conditions that led to usury were unjust."

But of course, Mr. President, it is hard for most of us to accept that governments encourage us because the *Qur'an* says it is just as much of a sin to borrow as to lend when interest is involved. Most of us are encouraged to borrow by our governments, and to save for interest. Many of us are glad to get the use of a house or a car and we pay the hire purchase because we are not in a position to buy it outright. In nearly all our activities, we are involved in borrowing and lending transactions that are based upon the payment of interest.

"It is hardly necessary to point to the consumerism and the undermining of the concept of working towards goals that are the result of the interest-driven schemes that encourage us to enjoy now and pay later.

The banking system as we know it, is built upon borrowing and lending, and upon interest and 'the interest rate.' Although they charge you various service charges, you are actually lending money to the banks when you open an account. They in turn invest it or lend it to other people to make interest.

Even as the banks are borrowing from you, they promise to lend you by giving you, they say, an overdraft facility. They are aggressive. They target you. They bombard you. They give you licence. They give you visa. The trouble is, the banks do not lend to any and everybody. They lend, not to those who need but to those who have and those who could pay back. "They don't really care what you want the money for. They are not likely to shed any tears for you if your venture fails or if you find you have bought a swamp in Florida." They have collateral. They have security. Something valuable they can seize and sell if you cannot pay them back and I have a feeling that they are probably giving off bad vibes. "Let him fail, let him fail, let him fail. We will seize his thing." The same banks which are lending money are probably giving off bad vibes because they want you to fail. That is why even when poverty is rampant and people are falling into bankruptcy, when the unemployment rate is high and Government refuses to raise salaries, banks can declare after tax profits of over \$125 million.

"Borrowing allows the leading groups in a country to live way beyond the means of the country as a whole, and at a level of ostentation and sophistication completely out of keeping with the human or economic development of the country as a whole."

Mr. President, I began reading about Islamic banking and I read a book by Dr. M. Uma Chapra, Senior Economic Advisor, South Arabian Monetary Agency. The extension of meaningful help to the poor carries a high priority in the Islamic value system, but the primary reason for the prescription of interest is the realization of overall socio-economic justice.

Mr. President, if you were a man with money and I came to you and I said I want to buy two Evenrude 55 for my pirogue, you could say I know a fellow who is willing to be a partner with you. You find the man. The man gets a share in my business. I supply the boat. I supply the labour. He has a share in the business. We are both happy. We are sharing in this investment.

12.20 p.m.

The article further states:

Appropriation Bill
[SEN. PROF. RAMCHAND]

Friday, December 27, 1996

“I can see how the partnership concept will ensure some measure of control over loans for frivolous consumption, opportunist enterprises, unproductive projects, and wasteful or propagandist government spending. ...”

I feel we should look for alternative or additional systems to the one we have. There is the Grameen Bank by the Bangladeshi Ph.D. economist which works in the same principles and is very successful in many of the so-called lesser developed countries.

I have not been able to talk about and congratulate the Government for the money it is proposing to spend on early childhood education and primary education. Maybe, it was a misjudgment on my part that I did not spend the time I wanted to spend proposing that we just cannot construct buildings. If we want to revise, review and renew the educational system and deal with the problem of poverty and the underprivileged in our country, we have to conceive a system of primary education. Over 50 per cent of the children who go to school come from poor homes, and the rest come from homes where both parents are working. We have to re-conceive primary education as one which replaces the home in many respects, offering care, love, inner sustainment, opportunities for self-expression, as well as the conventional education.

Thank you.

Mr. President: Hon. Senators, I think it is appropriate at this time to suspend for lunch. The sitting is suspended until 1.23 p.m.

12.23 p.m.: *Sitting suspended.*

1.25 p.m.: *Sitting resumed.*

Sen. Philip Marshall: Mr. President, I think the Minister of Finance is a very fortunate person because he got unequivocal support from the Ministers on the Government Benches who have also given him unreserved compliments in his budget preparation. I am sure they would not have done this were it not for the fact that they see the support for the longer and medium-term strategies within each of their functional ministries. I was not so fortunate, and although the budget presentation referred, in passing, to some of the critical areas of development, I really would have preferred a budget presentation that was more specific, with specific fiscal measures to fund the great challenges that we have to accomplish to transform our country.

One of the points made by the Minister of Finance and Minister of Tourism was that we had the macroeconomics right, so I intend to address that issue; education and the formation of human capital. I also intend to address the issue of the need to have effective, secure financial systems and the social indicators; the importance of improving our productivity and technology, and to wrap up with the changes which we have to put in place to enable public service and public sector reform.

First of all, there are two comments with respect to changes which I would like to see in the preparation and the presentation of the budget. The budget measures should be linked exactly to the transformation initiatives that are funded for us to achieve our vision, that shared vision which the Prime Minister and his team espouse very frequently.

Secondly, there was a significant change in emphasis in this year's budget where the Minister of Finance and Minister of Tourism, with certain measures, is going to push the savings incentive from the private sector to the public sector and I believe where such a change in strategy is made, there should be a greater explanation. I believe, as well, that where assumptions concerning the support of revenue collection, or expenditure measures are made, we should be apprised of what those assumptions are. It is very difficult to comment on the appropriateness of a specific measure without understanding and having access to the technologist and the team which the Minister was fortunate to have in preparing his budget speech.

It seems to me that the burden of taxation will continue to rest on the shoulders of honest citizens, who, over the years, have consistently paid their taxes but we do not hear of those groups of persons. We always hear about measures to entrap those who have been avoiding taxes. I think it not only relates to financial matters, but we hear far too few compliments of the band of those citizens of the country who uphold the law, and we almost bring publicity to those who promote lawlessness.

I would also like to see a change which will require the Minister of Finance and Minister of Tourism to communicate with the Senators, and that would be a good idea if on at least three occasions prior to the budget, at quarterly intervals, the Minister and his team from the Ministry of Finance meet with the Senators and provide us with a detailed progress review on revenue collection and expenditure reallocation. He could explain to us how assumptions that were in existence at the time of the budget delivery were no longer appropriate so we will have a

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

continuing understanding throughout the year of what may be the budget scenario for the up-coming year, in addition to the publications made by the Central Bank.

I would also like to see in our budget preparation, two major sections. The separation in the performance of the oil sector from the non-oil sector, and this is what I would now attempt to do in looking at the comment that we have the macroeconomics right. The Minister is totally correct in that statement. This country has the macroeconomics correct. One of the major areas is that with a budget surplus and current account, and a fiscal surplus of \$523 million, the country is poised to deal with certain developments in the non-oil sector, and I provide a small dissertation of the importance of our fiscal surplus.

Chile has been a much vaunted country in terms of its service, and what was held as the success story for Chile was that it used its pension schemes to fund its savings which has been held out as a model for pension funds. In fact, a more detailed examination has revealed that what made Chile successful in terms of savings, was that in the first eight years of this new change-over from public sector to private individual transportable savings plan, was a change in the fiscal policy of the government. It went from a fiscal deficit position to a fiscal surplus position and it is that non-borrowing by the government that provided the eventual platform for Chile to be successful. We must all understand, Mr. President, that when a government attempts to continue to live on current account in a deficit, it means that the country is robbed of the lifeblood to move forward. In that aspect, we have the macroeconomics rights.

We have had many years of negative growth after the oil shocks. In the oil sector as the Minister of Finance and Minister of Tourism has pointed out, there was a growth of 1.7 per cent over last year and in the non-oil sector, a GDP growth in real terms of 3.6 per cent. Therefore, we appear to be moving forward. I would go through, with quick dispatch, the overview of the oil sector. Between 1991 and 1996, the real GDP of the oil sector was 99.6 per cent of that of 1991, so over those six accumulative years, there actually has been negative growth in the oil sector.

What makes the oil sector significant is that on an annualized basis—because we only have the estimates for 1996—the oil sector in terms of visible trade brings into this country approximately TT \$5.8 billion or gives us a visible trade surplus of US \$937 million. That is the significance of the oil sector.

Let us see the comparison for the non-oil sector. This sector provides us with a negative visible trade deficit of TT \$3.3 billion which is approximately US \$542 million.

1.35 p.m.

If I take the visible trade surplus of US \$937 million from the oil sector, deduct US \$396 million—this is a new figure I am introducing—this represents a repatriation of the investment returns to the foreign direct investors who own the significant plant and exploration facilities in Trinidad and Tobago. The oil sector brings us US \$542 million net and the non-oil sector completely takes up every dollar. The figures balance to a “T”.

We have made a significant move forward in that our net reserves position at this time is approximately US \$620 million. Here is a plausible scenario. If the world prices of oil and gas were to fall from the present level to possibly half, the oil and petrochemical sectors will bring us no inflows. If we continued with the same pattern of external spending and imports from our non-oil sector, at a rate of US \$542 million per year, with cash in the bank of US \$624 million, which is our international reserves, it would take us roughly 17 months to have no money in the bank in our international account. If that situation persisted with the oil sector in terms of lower commodity prices, it would mean that if we continue our pattern of spending and importation, the only way our payments would balance, seeing that our non-oil sector does not lead to positive exports over imports, would be to sell our property. This very Red House may be owned by Properties Incorporated of Miami, or we may have to sell the Twin Towers. In other words, the only way our balance of payments would balance would be to sell our assets.

I have used that dramatization to show that the challenge of any government in this country is not the oil sector. At the present time the oil sector is well managed. We have managed to attract huge amounts of foreign investments, which, even if they do not bring vast amounts of corporate and petroleum taxes—these are the new entrants because of the tax free holiday—they bring in the foreign exchange. Why can our governments not, therefore, make a policy that the funding from the oil sector should be the funds which will be the underpinning of the nation’s growth in terms of human capital accumulation, our education system, our new technology infrastructure and the development policies with respect to agriculture and employment growth? Why can we not, therefore, set strategies that would make sure the non-oil sector pays for itself?

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

Let me refer, therefore, to what the figures look like in terms of the comparison of those two sectors. I am now talking about gross domestic product in real terms. When we say real terms, we are comparing like with like. We are comparing the same volume of physical output of goods and services, which include exports but exclude imports, using prices that are constant and based on 1985 prices. I will deal with the oil sector first to give Senators an idea.

I know that this may sound confusing, but the gross domestic product per person employed in the oil sector in 1995, using real terms and based on 1985 prices is approximately \$258,000. The oil sector only employs about 3 per cent of our working population, which translates to about 17,000 persons. Because of the high capital intensity of the oil sector, we generate TT \$258,000 per annum of value added per person employed. The average for the non-oil sector is \$32,000 per person employed.

If I did a sub-sectoral analysis, breaking down that \$32,000 further, just to give an idea, in agriculture, which employs approximately 34,800 persons, the added value per person employed in that sector is only \$13,000 per annum instead of \$258,000 as in the oil sector. In the construction section, it is \$41,000 per annum; finance, insurance and real estate, \$49,000 per person employed, and in the manufacturing sector, \$30,000. In other words, this economy is totally dependent on a God-given inheritance—our oil and natural gas. There is nothing wrong with that, but we are saying that we are hostage to market prices over which we have no control. Let us pat ourselves on the back rather conservatively.

In the non-oil sector, just to give a feel for some of the absolute figures, in 1991, the total gross domestic product was \$12,542 million; in 1996, five years later, the years being inclusive, the total gross domestic product was \$13,597 million, an average annual increase of one per cent per annum. One per cent per annum was our growth in the non-oil sector and in the oil sector, there was negative growth. So we have challenges, Mr. President, severe challenges, but we can do it. I really believe that we can do it. That is where I believe we will see the importance of savings and investment, the importance of education in developing our human capital and the importance of sound and secure financial systems to help us realize this dream of an offshore and financial centre that we have vaunted much over the past few years.

I would now like to make a response to some of the specific points raised by the measures. Of great concern to me is the limitation of \$18,000 per annum to

mortgage interest and annuity deductions. I have received from people in the industry some of their concerns and would like to read some of these to you.

First of all, when people make long-term plans like buying homes or annuities, they are based on a long-term philosophy. They work out their cash flow and their whole justification for making that purchase would have been based on the rules of the games remaining the same. I believe that a government ought to keep its promises. If a government brings in new rules, they should not be retroactive because decisions would have already been made. I think that is a very important issue. It deals with the whole concept of economic freedom. Economic freedom is where the Government sets out a philosophy of investment, which a private citizen makes to his benefit and lays his plans. If the Government changes the rules and destroys the expected returns or the appropriateness of the investment, that Government has robbed its citizens of their economic freedom. So when fiscal or monetary policies lead to a devaluation in the TT dollar, and that devaluation is that one dollar today is equivalent to 50 cents in 1985, that is the level of depreciation we have taken in our earnings. When those decisions are taken and these shocks are not monitored and fall upon the citizenry of the country to bear that in one fell swoop, those citizens are robbed of their economic freedom.

1.45 p.m.

Mr. President, I go back to the point about taxation of the retirement contributions. Senators who have contributed prior to my presentation here have said that the termination of existing plans could lead to a crisis in the insurance industry; that people may re-direct their plans to other foreign investment vehicles—I mean insurance vehicles, not used cars; that these sort of changes may provide long-term uncertainty in the investment climate and that one could even have a situation of double taxation, because the contributions to an annuity or pension plan will no longer be deductible for tax if one already has an existing mortgage. However, when the person retires and when the plan matures he then has to pay tax on the income he receives. Mr. President, that is really a measure of double taxation.

We have situations that despite all this lack of deductions, if an individual who has been a good and honest taxpayer wishes to purchase a house he has to pay 10 per cent stamp duty. If the Government wants to have a 10 per cent stamp duty on the purchase of a house but it wanted to trap somebody in the net who has not been paying taxes, it should allow 10 per cent stamp duty calculation to be deducted against his last two years' or his next year's income tax liability. What

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

one would, in effect, have is if he has not been sending in tax returns he pays the stamp duty, but if he has been paying his income tax, he can offset the stamp duty. That is totally unfair, that is a private investment. What a house represents to an individual may be his sole investment. How can we tax people on how they spend their after-tax disposable incomes, especially now that tax relief is not given on mortgage interest?

I have been told by the insurance industry that annuity premiums represent about 65 per cent of the total premiums received by the industry and that last year alone, new income streams for annuity amounted to \$200 million. What the Minister of Finance has done—and I think it is important that we understand this. It is not that the country does not save less as a whole when taxes or releases are reduced from the private sector, the private sector saves less and the Government saves more. Therefore, what he has done, in terms of a basic philosophy, is to remove the initiatives, the trigger for savings from the private sector to the Government sector. He would now have to convince me, therefore, that governments which are notorious for not being the best allocator or controller of their resources can, in fact, make better investments than the private sector. For that I think he should be held accountable in the sense that I would like, and we should all receive, in due course, if we were to put in place this quarterly report, what the lack of deductions has meant in terms of increased revenue to the Government Treasury and how those increased revenues have been re-directed to help us transform our economy.

The point I am making is that people who had their annuities, who are therefore saving for themselves, are relieving the Government of the long-term responsibility when they reach retirement age. If the Government takes away that ability to save, it must therefore ensure that for the rest of the community, the redistribution of the income is well spent. It would be very unfair for savings to be reduced in the private sector, because people do not have the same disposable incomes, and the moneys that are put in the Government Treasury, because of lack of control and the size of the sector, they are not achieving the very well-communicated objectives and vision statements that have been told to us.

Mr. President, I will give some percentages, on average, over the last 12 years, 1982—1994. The private sector saved 10.5 per cent of GDP and it spent 7.5 per cent in investment, therefore, the private sector provided the government sector with 3 per cent of GDP in terms of savings. In addition to that 3 per cent, foreign investment coming into the country provided a further one per cent. Therefore,

foreign investors, one per cent, the private sector 3 per cent of GDP provided the Government with 4 per cent of GDP as their savings. The Government needed that 4 per cent of their savings because that was the gap in Government's investments which is as follows. Government made 7.3 per cent of GDP, they repaid foreign debts which was 1.9 per cent of GDP, taking us to 9.2 per cent and the Government saved 5.2 per cent.

Mr. President, I do not want to lose you with these figures, but in a nutshell the Government needed 4 per cent of GDP to fund its investment programmes. That money came from the domestic savers of this country to the extent of 3 per cent and from foreign savers to the extent of one per cent. What I am saying is that those types of percentages will not be able to be maintained with the philosophy of not giving people the tax deductions because that means of savings via annuity, would be less attractive; they would be paying more tax and they would have less disposable incomes.

Another aspect of the budget measures which I wish to address is a very small point and it is the issue about citizens who follow the law and those who break the law. It is the question of the motor vehicle licensing regime. I have every respect for the Minister of Works and Transport but I really think the Minister called it wrong in this case. My concern is not with the fact that one does not have to pay the licence fee, and he wishes to collect it via gasoline taxes. My concern is that a minister has to admit that 25 per cent of our population broke the law over several years—it is not a problem of only this Government—and the law, therefore, has to be changed. This is therefore going to be the first of two parables that I would like to share with the Senate.

The first is the parable of the boiled frog. I do not know if anyone has read Peter Senge's book, *The Fifth Discipline*, apparently it is a true story. The parable is relevant to this contribution and it goes this way: If you put a frog in boiling water it would jump out of that pan of boiling water because it would realize its life is in danger. Its defensive system would make it react and say, "I cannot live in this environment". If you put a frog in tepid water and you slowly turn up the heat, its body temperature actually adjusts to the surrounding temperature of the water, so much so that as the water continues to reach boiling point the frog becomes groggy, it actually falls asleep and boils to death.

What is the significance of that to this country and what is the message? Mr. President, very often in life we accept and, in fact, we are unable to discern small changes to our environment, till those small changes accumulate to such an extent

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

that we never wake up because we are boiled to death. This is why when people do not pay licences, when they break traffic lights, when they overtake on the inside of our highways, when they never stop at a pedestrian crossing, these may seem small issues, but, in fact, they are the small changes that are reshaping the culture of our nation. The vision of this Government will never be achieved if the leader of the Government, the Prime Minister, and his entire team, do not commit themselves to the truth and realize that the job of a leader is to recognize culture that is inappropriate and to destroy that culture, no matter how painful it may be to the citizens of this country.

1.55 p.m.

Mr. President, if we are going to achieve the lovely visions that have been enunciated, I expect, at the retreat in Tobago, we cannot start just simply with nice words on paper such as “medium-term strategies. There must be consequent management for everything we do. If people do not abide by the law they must be punished. People must realize that if a certain behaviour is needed and they do not follow it, they would be differentiated from people who do. I feel that every single budget measure that we put in here, such as any tax, any new incentive, any penalty, must be adhered to. The Minister of Finance just simply does not make it as a presentation and then people ignore it. We would waste time in our Parliament if we do not ensure that the laws that we make are followed to the “T.” This is the entire basis of the transformation that we must make in our non-oil sector.

The Government has put out a very comprehensive—lovely sounding words, I could not find fault with it—industrial policy for the period 1996—2000. A very relevant industrial policy that deals with the development of our human capital; with the need to have high investment and saving ratios; and the need to promote sound macro-economic fundamentals. The challenges are as follows: How do we cope with the rapid technological changes which are crucial to our productivity as we fight and compete in an open-market environment; with the liberalization of trade and money and capital flows? How do we make more intensive use of our capital stock? How do we replace that capital stock, an important factor of production? One disappointment I had was that the Minister of Finance did not provide a specific investment allowance or incentives for the purchase of new plant and equipment for the manufacturing or other subsectors of the non-oil sector. This has been an investment that, if one looks at industrial policy and the effect of certain measures in the past few years in the United States, one key factor that

persuaded industrialists to invest was the very aggressive capital allowances and investment incentives that were provided to them.

The hon. Minister of Finance would tell you that in terms of the large investments made in the energy sector, these types of investment incentives have been provided in terms of tax-free holidays for certain periods, because for people who invest large sums of money there is a thin line between the commodity shocks that they could receive in their prices, and immediate return on investment which they must provide to their shareholders.

I would like to quote Sir Neville Nicholls, President of the Caribbean Development Bank. He says:

“Global Competition is the sole scenario. We will either struggle to survive at the bottom or rise by acquitting ourselves to compete among the keenest. Our people and our pride deserve and demand success—not just survival.”

Mr. President, a critical issue for this Government is how we can install the confidence in our people to encourage them to save domestically, not to put their money in a foreign denominated United States account but, in fact, be able to get an equivalent return on investment from putting their money in a manufacturing or other service-sector type of industry. That return on investment must be equivalent to, or greater than, the real interest rates they would get if they put the money in a bank account—real interest rates being the nominal interest rates one gets on one’s United States denominated or foreign denominated account less the level of inflation. If by putting your money in a bank that gap is larger than the return an entrepreneur would get by taking his money and putting it in a business that creates employment, there would be no incentive to invest in our domestic economy.

The Government must be congratulated for this venture capital and other initiatives that would provide people with the necessary capital to take up the challenges of trying to transform our non-oil sector. I repeat. It is our non-oil sector that must be the agenda for Government. In fact, just briefly on the oil sector, we really do not have oil or gas but, we have knowledge of it—we have a virtual resource. Have you heard the Minister of Energy and Energy Industries say that: “We received US \$1.7 million in data packets.” We have the knowledge that all our gas deposits exist in a certain place and for that knowledge foreign investors are prepared to pay. If that oil and gas was really ours we would have farmed it ourselves. Mr. President, do you see the point I am trying to make? It

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

exists, but we do not have the financial reserves to afford to make a mistake because of the geological formations and so forth. We have the knowledge that oil and gas exist. With reproduction sharing contracts and with an information package we, therefore, have a virtual resource.

I make that point because more and more the new challenges in the new world are challenges that deal with virtuality. Take for example, TIDCO. Mr. President, what is TIDCO trying to provide? They are not trying to provide markets, they are trying to provide information on markets. Information is the new resource; knowledge is the new resource.

This is why, again, I was disappointed that I did not see specific and very comprehensive capital development programmes that dealt with garnering knowledge bases, trade bases and providing detailed communications infrastructure. This would enable various facets of our stakeholders to harness and match the data of what is needed, against the skills bank of people in this country, to make sure that the programmes executed through the National Training Agency, would be focused and targeted. We cannot afford to misdirect and spend money in an inappropriate manner on training because we did not do the required market research to find out what the markets demand in terms of products, services, skills, training and development needed for our human capital stock to fulfill the demand of those products and services. We cannot afford to make that mistake and do it without significant research.

2.05 p.m.

The Minister of Finance talked about a communications policy. He talked about the need for having, I suppose, more cost effective overseas communications, the information sector, and so forth. We just have to remember one thing. The Government is also a stakeholder in the communication sector. The communication sector, although people say it is a natural monopoly, bear in mind the fact that the profits from the foreign service have to fund the loss-making domestic service. Bear in mind that sector provides to the Treasury significant sums of money in corporation tax.

I am not saying to go away from the model of openness. Just make sure that we do not jump on the bandwagon and we quickly cause a deregulated environment with no tax coming into the Treasury. Not only would the Government lose its investment, it will have to tax or put more tax on our gas to pay for the loss of that. There should be a well thought out transition strategy.

Remember I talked about the Government keeping its promises? When investors feel that they have a market for a certain period of time in which their returns on investments can be matched, if you open that market, you therefore remove the playing field that they thought they had negotiated with the Government.

I am not saying do not open it, but maybe the new players should bear the brunt of part of the funding of the network that is already down. In any activity, I am just using communications as one, do not forget that funds are also needed to support a domestic communication sector that right now may not necessarily be able to pay for itself, especially when you are talking about communications to rural areas, to small village communities that just simply do not have the traffic to recoup the investment. Who is going to invest in that situation? Not a new foreign investor.

Important as communications is, a key area for which the hon. Minister of Public Administration is responsible is the area of public sector reform. He visited New Zealand earlier this year and I would like to just read out some of the legislative frameworks that enabled the working of the New Zealand state sector.

“The New Zealand State Sector Act 1988 and the Public Finance Act 1989 provide new conditions of employment in the New Zealand Public Service. It clarified the respective roles and powers of Ministers and Chief Executives—”

Rather than Permanent Secretaries, they have Chief Executives.

“It provided for annual performance agreements between the Minister and the Chief Executive and replaced the permanent tenure of heads of government departments with contractual obligations on service, objectives and measurements at appropriate levels of cost.”

I am saying that in the whole paper on public administration put forward by the hon. Minister—and he was reported in the paper about—Do we have an appropriate public sector? If we are to challenge our people to transform the public sector, we must be able to answer this question for them when they ask of us, “What is in it for me?”

In other words, just like the licensing where 25 per cent of the people did not pay their tax, is it that in the public sector, Porato’s law, 25 per cent of the people do 75 per cent of the work? I am sure you could apply that measurement to everything. Well, Porato is really the 8—20 rule. But, 25 per cent of the people maybe do 75 per cent of the work. When you ask those 25 per cent of the people

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

who are absolutely first class technocrats to perform more, to change more, to continue the battle forward, what are you going to say to them? Why should they do it? What we need is a complete elimination and eradication—just like paying the licence fee—of the entire contract and labour market agreements that surround the public service.

We have to pay people for performance. We have to set base level salaries. We have to set measurements and standards, and when they perform and meet those standards, and when they exceed them, there must be a sharing of the gain between the people and the teams that have performed, and the Government and the treasury. Unless you change that, you will not change behaviour.

The Prime Minister said in his address celebrating the 34th anniversary of our Republic of Trinidad and Tobago, that we need new words: communication and co-operation. He talked about change. He said change begins at the personal level, and he is absolutely right. None of us as adults like change. The only people who like change are wet babies. We have reached our position because of our own ability to say that what we do, we know is right. We are now asking people to work in teams to change, to give up leadership and to share leadership. That is what teamwork and change is about.

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. Prof. J. Spence*]

Question put and agreed to.

Sen. P. Marshall: Thank you. So when we set out the vision for Trinidad and Tobago, whether it be medium-term, or the long-term 25-year plan, what we must do is make sure that our change programmes are effective and that they are specific. The measures and performance indicators of change must be allocated to individuals within the public sector. Do not let us say, the Minister of Finance or this or that government department will be responsible. Name the person. In fact, my recommendation in this project is this: I believe that every single Government Ministry, with the possible exception of the Ministry of National Security, should provide a brochure of its ministry and make it available to the public.

It should show the organization chart, the key responsibilities of the key individuals; it should set out the vision of that ministry and set out the specific performance objectives and projects to be accomplished over the next three years. It should show the funding of the ministry and dictate to the public the services to be delivered. It should set the measures, the turn-around time and the expected

levels of service which the ministry will require to entitle it to be called a total quality ministry.

To be a total quality ministry, we need total quality individuals, because if individuals in any organization, private or public sector, do not learn, the ministry does not learn. There is no separation between the individuals in an organization and the organizations themselves. Change and performance are at the individual level and so the Government has significant challenges in that respect.

I go into the last two aspects of my presentation. The first will deal with the whole issue of exchange rates. Mr. President, there are two aspects of policy that affect our exchange rate: monetary policy which deals with interest rates, which is generally the responsibility of the Governor of the Central Bank, and fiscal policy which is the responsibility of the Ministry of Finance. These policies must be compatible and they must be in tandem, because Trinidad and Tobago has moved from a fixed exchange rate regime to a semi-floating exchange rate regime, but what makes it far more difficult is that we have also liberalized our capital flows. Monetary and fiscal policies, when they are attempted to be implemented in a situation of unliberalized capital flows or capital restrictions, it is difficult enough. When you attempt to do so in a liberalized capital flow environment, they say it is like going from a scooter to riding an 1100 cc motorbike. The level of difficulty is far greater.

2.15 p.m.

Some people may not understand that when the Governor of the Central Bank increases reserve requirements or attempts, in the future, to do open market operations, why he has to attempt to let the interest rate rise—and I have an economist here—is that he is trying to make sure the differential in the interest rates on TT dollars as opposed to foreign dollars will attract people to want TT dollars instead of holding and non-converting their US currency, to ensure that the TT dollar rate appreciates. As my colleague said earlier, there is no more important issue, than the maintaining of our TT dollar exchange rate. This is a significant issue.

I would like to make a recommendation that the Governor of the Central Bank, should, in fact, state a policy of what his philosophy is, in advance, to restore confidence in the TT dollar. Just reading from the *Annual Economic Survey* of the Central Bank, this is what it actually said in 1995:

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

“During the final quarter of 1995, the situation in the Foreign Exchange Market was exacerbated by uncertainty over the future course of economic policy in the light of the change in the country’s political administration in November.”

Why should a change of government cause an underlying change or fear in our monetary and fiscal policies? We need to ensure that there is continued sharing of vision in that respect so that the confidence remains in terms of our dollar and exchange rate.

I would like to end with a very important issue that is presently being debated. It has nothing to do with the parties involved because this is generally a situation that is affecting the whole issue of our financial environment and legal framework. This Government and previous governments have always talked about Trinidad and Tobago being an offshore sector having confidence, and the financial centre of the Caribbean. We have put in place a Financial Institutions Act; a new Companies Act would be out shortly; a Securities Industry Act; a Mutual Fund Act; a recent new Central Bank Act; a revised Insurance Act; an Intellectual Property Act, and yet it seems to me that the Government has not made the statements and given the assurance and provided the framework within which we know that we could act and move forward.

I would just like to take the opportunity to quote very briefly from a document called: *Regulation and Supervision of Financial Conglomerates*. This paper is written by David Scott, Senior Financial Sector Specialist of the World Bank—Policy Research Working Paper, March, 1995. It reads as follows:

“Deregulation and new technology are blurring the lines between different types of financial institutions. Banks, securities firms, fund managers, and insurance companies increasingly compete with each other by offering similar products and services. This competitive pressure is giving rise to conglomerates able to deliver a full range of financial services.

The trend toward conglomeration poses challenges to the regulatory and supervisory authorities that watch over financial institutions. The blurring of lines between institutions with different primary regulators and supervisors can mean that similar activities are treated inconsistently. That creates incentives for regulatory arbitrage and can thwart the intent of regulation.”

It goes on to basically say:

“Conglomeration in many cases is a valid business strategy that simply highlights anomalies in regulatory and supervisory practice. The authorities need to respond to these issues while continuing to pursue their prime objective of promoting financial stability, but now in an environment dominated by more complex and diverse organizations.

Getting the authorities to agree on a common solution has not been easy, however, in individual countries or in international forums.”

Just making the point that with open systems, with globalization, with capital flows, we face a need to address significantly the framework of our financial institutions, the Acts and the whole area of regulatory supervision. When somebody comes into an offshore sector, he does so for only one reason; he is sure that the other people and the standards of players in an offshore sector have come into that sector because they have been thoroughly reviewed and validated by the authorities of the day, else he is not prepared to continue with transactions and take that risk.

So there is, in fact, a key issue concerning that. In fact, one of the challenges is that, and I continue to read:

“An important economic policy decision that arises in the context of financial conglomerates is the extent to which links between financial groups and industrial and commercial groups should be allowed. Such conglomerates often mean increased economic concentration.”

The Government said it is working on a competition policy. In looking at our entire situation, as a small country, when there is merger of major groups—they exist already so I am not being specific in any one case—there can be a very small number of persons controlling 80—85 per cent of the financial environment. This is not just one group; I am saying this would be a couple of the heads of a group.

So we just have to be very aware of whether that environment could pose a situation of insecurity for persons who may want to invest in our financial and offshore sector as we go to knowledge-based products and industries. In Barbados, for example, the financial sector contributes to their economy. They are a small economy, in our terms—130,000 persons in their labour force—with US \$100 million a year. That reputation is developed from years of good regulatory environment.

Appropriation Bill
[SEN. MARSHALL]

Friday, December 27, 1996

Our intellectual or our competitive capability would be founded on the development of our people. Research has shown that the greatest return on our investment in educational systems is at the primary and pre-primary level; secondly, the secondary; then thirdly, because of the cost, tertiary education gives us our lowest return on investment. One of the key issues in maintaining the intellectual capacity of our nation is to make sure that we maintain in real terms the spending on our students.

Mr. President, let me quote some figures for you. It has nothing to do with this Government because it existed prior to now. In the three-year period, 1985—1987, the annual expenditure in real terms per student was \$2,207, in the primary. In 1991—1993, this fell to \$1,298, a fall of approximately 41 per cent per student in real terms. For secondary, it went from \$3,341 in 1985—1987 to \$2,000 in 1991—1993, a fall of 38 per cent. For vocational and technical, there was a fall of 7 per cent.

This is where we have a difficulty. You see, we have this message in our strategy; we have this message in our industrial policy about human capital, competitiveness, knowledge-based industries, but the facts of the matter show that we are spending less and less on our people; that there is a total disconnect between what we say and what we are able to do. I am not saying that any of us would have had any other answer, you know, but what I am saying is, if we cannot get more money in totality, we need, therefore, to re-allocate what we have. We have to make some very hard decisions.

This is where I end with my last story or parable. The only way the Government can do this is to share this vision and make sure that every single citizen understands and commits to the truth of what our situation is. Oil is keeping us afloat. We are not in a happy state because of the continuing challenges of globalization and competition. Those of you who saw the film “Spartacus” with Kirk Douglas, as you know, the Roman Gladiator, Spartacus, led an army of about 1,000 rebel slaves and was eventually surrounded by General Marcus Crassus—this was in BC 71; I was not around at the time. The Roman legionnaire said: “Which of you is Spartacus? We know him by reputation but not by face. If you identify Spartacus to us, you will be spared your rightful punishment of crucifixion.” Spartacus, as I said, played by Kirk Douglas or Victor Mature in that film, came forward and said: “I am Spartacus.” Then every single one of the captured rebels came forward and said, “I am Spartacus.”

The story is their loyalty was not with Spartacus, the man, but with the vision of freedom which they had enjoyed and which they had shared together and which they were not prepared to give up.

You see, when our Head of State or our Prime Minister paints a vision, he may have the vision; in this House we may have the vision, but we have to ensure that every person who asks for change, shares that vision.

I thank you, Mr. President.

2.25 p.m.

Sen. Mahadeo Jagmohan: Mr. President, the budget presented by the Minister of Finance and Minister of Tourism is very, very, misleading, hollow, deceptive and a dangerous one. If we look carefully at all areas of the budget, we would see that it is aimed at hitting every segment of the population. It certainly hits the unemployed the hardest. It surely hits the home-owner, members of credit unions, pharmacy employees and owners, teachers, public servants, doctors, nurses, policemen, daily-paid workers, and a host of others who are in a quandary as to what their future holds in terms of earning a decent living for themselves and their families.

This time around, it gives the impression as though the Government has lost its direction. The present budgetary figures do not seem to balance. If we all look carefully, we are sure to get the impression that the UNC/NAR Government has been hijacked by a small clique—possibly people who have invested in the UNC/NAR coalition. An uncontrollable political mob is calling all the shots and deciding on major fiscal measures and monetary policies for the Government.

On social development. With respect to the social services, I recall very vividly that in the election campaign of 1995, the campaigners for the UNC/NAR parties were very vocal about eradicating poverty in Trinidad and Tobago. It now seems very clear that this Government has inflicted greater poverty on the country now, than the country ever experienced before.

I say so, Mr. President, in light of the number of reported food hampers that are being given out by the Government or its agents. However, there have been complaints from citizens all over, that these reported food gifts are being channelled into the homes of some activists and well-to-do persons who are doing their own thing in this regard.

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

Despite the bitter and misleading contribution of the Minister of Trade and Industry and Minister of Consumer Affairs in the other place, I must emphasize that it was the last administration of the People's National Movement that removed VAT from certain basic food commodities and other basic necessities, including school books at the cost of \$18 million.

The last PNM administration provided well over \$19 million on the Unemployment Relief Programme. We increased social assistance benefits from \$92.00 to \$101.00 per month for adults, and from \$80.00 to \$88.00 per month for children. All this happened at a time when the economic climate in Trinidad and Tobago was in somewhat difficult times. This was achieved because of prudent financial management.

Mr. President, an unending number of statistics which we can all present, will only help to confuse the poor and needy people, but most certainly it appears that the Government intends to keep poor people poorer. Why has the Government not increased old age pensions to the recommended level of \$623.00. If licence fees of motor vehicles were retained, then that would have been possible.

The manner in which the budget was structured and presented appears to me, that the Government does not have a clue on how to deal with the issues, such as the poor people of Trinidad and Tobago and their needs. The people who actually go out to sea to fish in ordinary fishing boats, the main tool of their trade is a small boat and an outboard engine. Fishermen in this category, are in my humble view, poor people. They never paid licence fees for the boats and engines, but they are now being treated as owners of luxury cars. How callous and uncaring the Government can be on such an issue? Motor vehicle licences have been removed, it simply means that the owners of motor cars and other vehicles will be paying extra money for gasoline. So too will the fishermen who are poor and earn meagre returns by fishing. Why has the Minister of Finance and Minister of Tourism targeted this group of citizens?

Mr. President, this measure will most definitely increase the incidence of poverty. The Minister of Social Development has said a whole lot about street children. What measures are there in the budget for the alleviation of street children's difficulties? I will like to know. Is there financial provision for housing or otherwise for accommodating this group of young citizens?

I turn to casino gambling. I refer to the editorial of December 14—a whole host of things the public have complained about. I beg your pardon, Sir.

Mr. President: Senator, please identify the source.

Sen. M. Jagmohan: The *Sunday Guardian* of December 22, 1996, Sir. I am not sure whether you will permit this one, but the distinguished Sen. St. Cyr, gives us a stirring contribution about casinos. The goodly Senator says, and the article states:

"Independent Senator Eric St. Cyr has suggested that casinos, in association with hotels, can cause corruption in the leadership of the country."

There could not be a more powerful statement with regard to the introduction of casino gambling.

Then, on page 9 of *The Independent* of Tuesday, December 24, 1996, the headline says:

"Casinos a Gateway for the Drug Marfia."

Who can make out a case to refute this claim? I would really like to hear, Sir.

I go further—Sen. Teelucksingh is not here, but he is a very powerful person in the Presbyterian Church.

On page 7 of the *Trinidad Guardian*, of Thursday, December 19, 1996, there is an article entitled, "Presbyterians: Government chasing almighty \$\$. " It states:

"The Presbyterian Church has criticized Minister of Finance Brian Kuei Tung for his proposals to legalize casino gambling and the removal of tax exemption on Deeds of Covenant."

It says many things but it is not my style to burden people with things with which I can avoid burdening them. That is the Presbyterian Church, a powerful church.

On page 38 of the *Newsday* of Tuesday, December 17, 1996, there is an article captioned "Another Religious group hits Casino Gambling", which reads as follows:

"Another religious organization has come out against casino gambling. This time it is the Trinidad Muslim League Inc. which says gambling is wrong, whether it is introduced in private dwelling houses, members' clubs, or in public. According to the Muslim body which has its headquarters in St. Joseph,

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

the introduction of casino gambling would further exacerbate the already deteriorating social, moral, and ethical fabric of the society, 'plagued as we are with drugs, poverty and other negatives'."

2.35 p.m.

There is another article—this time a large one—on page 6 of the *Newsday* of Saturday, December 21, 1996, headlined: "ASJA condemns casinos and school calypso". My case is the condemnation by the Anjuman Sunnatul Jamaat Association of casino gambling. I would read a small part of the article:

"The Anjuman Sunnatul Jamaat Association of TT Inc., the largest Muslim organisation in the country stated yesterday that it condemns 'all forms of gambling and abhors the introduction of casino gambling and the teaching of calypso as a subject in schools...'"

I am not dealing with calypso but that finishes the line.

To go a little further, Sir, I would refer to an article on page 8 of the *Newsday* of December 19, 1996 which reads as follows:

"The more we read the Budget and its implication for the general community, particularly the elderly, the poor, lower income groups, the young people and the many citizens daily battling to make the proverbial ends meet, the more we are inclined to our assessment that the Budget gives to some with one hand and takes from all with the other."

The point here is that casino gambling will create such a situation.

Mr. President, I would go a little further. In the *TNT Mirror* of Friday, December 20, 1996 there is a headline: "Pentecostals move against casinos". They have said a whole lot in this article condemning casino gambling. In another article in the same *TNT Mirror* states: "Preachers plan protest"; maybe that is coming.

I have merely introduced these into this debate to indicate how the broader segment of the society feels about casino gambling. Casino gambling in countries where it is practised does not really enhance the economies of those countries because casino gamblers, I am advised, make their money through other pursuits and then engage in all-night gambling at casinos. It is well known that there is no consideration for morality and accepted standards of behaviour at casinos. Perhaps, the Minister of Finance and Minister of Tourism would want to refute this claim and laud the casino gambling activities he is now introducing in Trinidad

and Tobago. We get the feeling that casino gambling will be launched in Tobago on the business premises of persons who have invested heavily and are continuing to invest in the UNC/NAR coalition Government.

Mr. President, the religious community, with one notable exception, has come out strongly against casino gambling. If the Government offends all, with the exception of one grouping, then this is a very terrible situation and we would all have to face the consequences. Their views are being reported in the newspapers on a daily basis since the presentation of the budget.

Mr. President, the National Council of Hindu Organizations is a federation of, at least, seven Hindu religious organizations, excluding the Sanatan Dharma Maha Saba of Trinidad and Tobago Incorporated. They are not part of the National Council of Hindu Organizations and are totally against gambling of any kind whatsoever much less casino gambling.

This form of gambling is totally condemned by the Islamic Group of Churches in Trinidad and Tobago. Last year when the Government introduced measures to sell alcohol in supermarkets on Sundays it listed only certain operators of the said supermarkets. The damages done by this measure are there for those who care about the social, moral and religious fabric of our society to see and feel.

Mr. President, more and more people with needs now stand the chance of having their economic standing devastated because they would be encouraged and enticed to patronize those casino gambling dens; then what would happen? Good economic activities could suffer if their owners lose their hard earned money at the casinos. Then again, there would be more broken homes and more worried people. There could be a flow of homeless families out of the likely tragic situation, and tragic it will be.

Also, when businesses go bankrupt many people become unemployed thus creating greater hardship. Will this situation not encourage crime of all kinds? Reluctantly, I say that it would definitely encourage stealing, prostitution and other kinds of crimes. Please, Mr. Minister of Finance, can you find it in your heart to withdraw this measure?

Mr. President, I have just a few words on taxes. We have had very valuable contributions from my esteemed colleague, Sen. Montano, and my hon. friend, Sen. Philip Marshall, so I will not venture in that area. However, I merely wish to point out the major points which ought to be taken into consideration.

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

The removal of tax allowance is a retrograde and vicious step by the Government. Churches or, at best, all religious organizations gain their main support by the deed of covenant arrangement by well-meaning people in the society. The entire society is now in danger because of the removal of this measure. Several non-governmental organizations may have to pack up and close up their activities because they will not receive support from the people who normally supported them. Is this the Government that said earlier in the year it cared about the country and all its citizens? Is this the advice of the friends of the Government or some other person who helped to formulate the budget?

Mr. President, I am mindful that this morning when the gracious Minister spoke about the social services, she mentioned a point made by the Minister of Finance and Minister of Tourism, that is, the \$10 million that would be made available for NGOs. The term "non-governmental organization" is very broad and all religious groups in Trinidad and Tobago are NGOs. They do not get large subventions or money from the work of the church people as other people do. Then, there are so many cricket clubs, football clubs and so forth. To whom would they have to apply to get part of that \$10 million, and in these times how far can \$10 million go? This is a point we need to ponder over and get information.

Mr. President, I have just a few points on labour. The system of allowances for increased employment is a thing of the past. It will not work in this era of our history as experience of the past has shown that it had no positive effect on employment. This method cannot work because of its cumbersome nature and is well near impossible to monitor. This part of the budget was only stated to look good but it is not good.

2.45 p.m.

Mr. President, I now turn to a statement made by the Minister of Labour and Co-operatives in the other place. He told the House of Representatives that there is total industrial peace in the country. The impression I have gathered from this view of the Minister of Labour and Co-operatives, is that he does not live here. My argument is that industrial relations peace is at its lowest ebb, notwithstanding, some good settlements for little groups of workers, or certain sections of the working population. The distinguished President General of the Oilfields Workers' Trade Union, expressed alarm at such an ill-conceived view by the Minister of Labour and Co-operatives. No wonder people are agitating that the Minister of Public Administration should also be made Minister of Labour and Co-operatives, so he can confuse things a little more. The Minister of Labour and Co-operatives

seems not to have a clue about industrial relations in the country. The action taken by teachers to agitate for their well-being seems not to have any effect on the Government.

Mr. President, several negotiations are in progress for new industrial contracts for employees of a number of sectors in the public service, but not a word from the Government on the matter. Is it that they hope to go out of office before settling those negotiations? There are several areas of negotiations presently stuck at various levels in the system. I think because of this serious situation, the Acting Chief Personnel Officer, is making it her business to take in the entire debate, which is a good sign. It is extremely important that these negotiations be speedily settled and retroactive payments be made without delay.

Junior doctors, or doctors as a whole, have had to undergo the indignity of facing exploitation of their labour in a most punitive manner and no real concern shown by this Government that says it is caring and stands for national unity. Will the Leader of Government Business tell us why, for months now, many doctors have not received salaries? For two months now, particularly those doctors who work in the casualty departments of our hospitals have not received salaries. If this group of professionals is treated so badly, those who care about the lives of all the citizens, then what about those people who do menial work, as a whole host of state employees do?

School teachers are exemplars in the society, they give services for which we are all, or at least, should be appreciative and grateful. Are we? The teachers are the gurus of our children, and we expect our children to follow them, in terms of their instructions, but when the head of Government describes them in a most degrading, degenerating, and callous manner, can we expect the best from them? The answer is a blunt no. Therefore, I hasten to state that the Government must, I repeat must, listen to our teachers, and negotiate in good faith with a view to settling their just demands. The Minister of Public Administration and Information, will be paying a lot of attention to this, I would imagine.

One will, no doubt, remember when the Prime Minister was Leader of the Opposition as recently as 1995, when he clearly stated with respect to moneys owed to teachers, that a debt is a debt. Prior to the general election, he clearly stated with respect to moneys owed to teachers and civil servants, that a debt is a debt, and it must be paid in cash, and that if he and his party were placed in charge, he would pay the teachers their money right away; a very nice statement to make. Has this been a reality? Instead, the Minister of Education is threatening teachers

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

with disciplinary action if they continue to claim their rights. The Government certainly does not care about the welfare of teachers, and, as a consequence, children of the nation will suffer in many ways as they already have.

A few words about the Ministry of Labour and Co-operatives. A very important section of that ministry is the Labour Inspectorate Division. This department is vested with the power to investigate breaches of the Minimum Wages Order Bill. It is with a sense of urgency I mention this matter, so that staffing could be dealt with, so that the poor workers will have a measure of protection by the Government. What I mean is that if the staffing is adequate, then the labour inspectors can visit firms departments, companies, employers, whatever they are. I am sure the Minister of Public Administration and Information will take note of this and pay some attention in this regard.

[MR. VICE-PRESIDENT *in the Chair*]

A brief look at the predicament of housing. The Minister of Housing has clearly and definitely shown by his inaction, that he is against needy citizens getting assistance in obtaining modest yet decent housing facilities, notwithstanding what the nice lady, the Parliamentary Secretary in that ministry had to say this morning. He is yet to formulate and publish the Government's policy on housing. I am left to imagine that the Minister's lack of interest in this regard is deliberately designed to encourage squatting.

Mr. Vice-President, I did not disturb anyone during the course of their contributions. I mean on the Government side. That might have been so. Everyone in this House may recall when in the other place the Minister of Housing indicated, and I quote, "that there is no need for a housing ministry *per se*." The Minister of Housing said those words and they are recorded in the *Hansard*. It is not at all surprising that there is no policy on housing and settlement by this UNC/NAR Government. I urge the Minister to be concerned with this matter because he had tremendous difficulty with the 1986—1991 Prime Minister, which could have been on the said housing problem. Today, that individual is the Minister Extraordinaire and Minister for Tobago Affairs; I am speaking about the Prime Minister of that era, meaning that he is still some kind of boss over all other ministers. So watch it, Mr. Minister. Shape up or you would be shipped out and you know by whom. I am sorry he is not here in the Senate.

2.55 p.m.

When the People's National Movement administration went out of office in 1995 a well-established plan—the PNM was not kicked out neither did it lose an

election. The UNC won 17 seats and the PNM 17 seats. I do not wish to elaborate, but it would show that the Senators opposite do not have their mathematics right. Do not forget the People's National Movement—17 Members in the House of Representatives—is the government in waiting, and it is highly possible that without another general election the PNM can become the next government. If Senators opposite have spent any time to study political history, politics and the British government system they would see where that possibility lies. A well-structured plan backed by a \$30-million construction plan under the National Housing Authority was in place. The plan was for the construction of 5,000 housing units each year for the next 10 years. The goodly Parliamentary Secretary is now administrating in this regard.

The PNM's 1995 housing administrative plan was designed to produce some 4,000 housing units by the year 1997. There was a Squatter Containment Unit in the National Housing Authority. The Minister of Housing and Settlements failed to recognize this. However, the hon. Minister of Finance and Minister of Tourism in his 1996 Budget Statement was conscious of the enormous amount of work that was done by the PNM on housing and settlements. He admitted that. In his budget presentation of 1996 he had promised to see that the housing thrust of the last Government continued, therefore, he said he would encourage its continuation. But alas, it seems that the Minister of Housing and Settlements would have none of it. I am not a teacher here. The Minister of Housing and Settlements stopped the Squatter Containment Unit.

Mr. Vice-President, the truth is somewhat bitter in a parliamentary debate. I appreciate the smiles, the laughter and the happiness from my good friends on the other side. They are taking it nicely because they understand what I mean is real. Had it been for the influence of that venerable Sen. Selwyn John, housing would have been in better—he was the first in Trinidad and Tobago and one of the few in the western hemisphere to be jointly pioneering a housing project, not with the help of anybody opposite, but the help of the people who sit on this side in the other place.

The Minister of Housing and Settlements stopped the Squatter Containment Unit and he immediately stopped the construction of 300 housing units at Aranguez and 100 housing units at Morvant. With respect to housing, the Government seems not to have a clue as to what it should do. As a matter of fact, it has—if I could use some other term—copied the plans of the PNM, modified them and is making it sound good as the goodly Senator made it sound this

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

morning. All the Government has done is to complete some housing projects that had been started by the PNM administration. It is our view that the Government is urging people to squat, an illegal act. Some of us are in a position to justify that since such a move would encourage—I want the Minister of Finance and Minister of Tourism and the Minister of Public Administration and Information to listen to this—rural/urban movement of people, that would alter the voting patterns in the country to the advantage of the ruling party. Although they met legislation in place when they took up office they have ignored same.

We see that all the housing programmes that were disbanded by the Government earlier in the year, because they were programmes of the last administration, are now being re-implemented under the guise of the UNC/NAR vision.

Paragraph 4 on page 1 of the *Budget Statement 1997* by the Minister of Finance and Minister of Tourism states, Mr. Vice-President, I quote:

“In our 1996 Budget, we said we would put people at the center of all economic growth and development. In 1997, we will go even further as we strive to empower the population to transform Trinidad and Tobago into a Total Quality Nation.”

What is the difference between a world-class nation and a total quality nation? This is one of the phrases which was stolen from the PNM. Do you see they are coming to terms? Very nice indeed!

At paragraph 6 some reference is made that the unemployment rate is down to 15.1 per cent. We want it to be known in this Senate that this was because of the measures put in place by the People’s National Movement, the way the economy was structured and the strides that were made by the last administration, particularly in the last two years of its presence in government.

Mr. Vice-President, while the Minister of Education is not here, when the Minister of Finance and Minister of Tourism brought some financial money matters to this Senate earlier this year—and I spoke on that—there were some highlights about the Ministry of Education. I did not raise any technical points then. Because of what was happening in schools, the safety of children and teachers was being taken into account, I made the point that the Ministry of Education was receiving a very large chunk of the national income of the country and that steps should be taken for the protection of the children and teachers; to fence all schools and have security guards posted at these schools during school hours. The Minister of

Education agreed with the statement, not necessarily the whole of it, but he agreed that schools should be fenced. There were so many grand projects identified and the Minister of Finance and Minister of Tourism mentioned that they would cost millions of dollars. It is not too expensive to fence all the schools in Trinidad and Tobago, particularly the primary schools, where totally defenseless young children go for instructions or to learn. If the Minister of Finance and Minister of Tourism and the Minister of Public Administration and Information would kindly take notice of this point and bring it to the attention of the Minister of Education, I am sure something could be done.

3.05 p.m.

Can the Minister give this Senate some kind of indication with regard to paragraph 3 on page 4, which reads thus:

“Ensure a competitive market place by promoting competition in various sectors of government and introduce a competition policy for the conduct of business.”

This should be spelt out for the national community in greater detail. Perhaps the Minister in his response or his reply would say something about this. *[Interruption]*. Page 4, paragraph 3, of the Minister's *Budget Statement 1997*. This document.

Mr. Vice-President, on page 5, paragraph 6, I see a lot of serious implications in this, to the extent where it could bring tears to so many thousands in the country, if the way the Minister has stated this and the technocrats and civil servants take a clue from this. Mr. Vice-President, I want, with your permission, to read parts of it. The Minister goes on to say:

“We will restructure Government's expenditure to direct a larger share of resources to more urgent priority areas. This will entail a concerted effort to reduce the share in expenditure of wages and salaries and debt service payments. However, reducing such expenditures must be viewed in context of the current negotiations on wages and salaries in the public service and the recent increases in domestic interest rates.”

What we are reading into this is economic language, language of the Minister, of course, language of technocrats in the Ministry of Finance. Are they saying that the civil service or part of the civil service—the daily-paid sector—is much too large and when they enter into negotiations with the recognized majority unions,

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

they may give an increase, but reduce the number of workers who will stay in employment? The man on the street whom Ministers in Government will meet only now and then, has read the Minister's statement and he is reading that impression. He has created that impression that this would mean okay, negotiations will go on but the technocrats will be encouraged; maybe you will give some kind of increase but reduce the size of the civil service. The Prime Minister is on record of also saying that the civil service is large.

I proceed further on page 8. I was at a luncheon earlier where the Minister of Works and Transport was receiving the praises of the Prime Minister as being very hard working. I want his undivided attention on this matter. On page 8 of the *Budget Statement 1997*, the first paragraph reads thus:

“In the area of transportation, priority will be given to rehabilitating significant sections of the country's main and secondary roads.”

The learned Minister, whom I have the impression, had to rush through his speech because apparently with the amount of material he had could have gone on for more than three hours speaking time, which was not possible for him. I compliment him for very good reading of his statements, facts and figures. He goes on to say:

“Construction will begin on the long-awaited overpass at the intersection of the Churchill Roosevelt and the Uriah Butler Highways.”

That sounds very good. That paragraph ends with construction of the National Airport Complex.

I wish to mention there is one piece of road in Trinidad that is one of the most crucial roads. That is the Mosquito Creek in South, in county Victoria which borders county St. Patrick. Because of the extent to which the road has sunk and the wall has receded, that road is impassable almost on a daily basis. If it was just plain water it would be okay, but it is salt water coming up there. I heard nothing and many citizens have approached me on the matter. Will the Government raise that road? The Minister of Energy will also have difficulty if he goes home every day, to pass on that road. From Icacos, Cedros, Point Fortin, La Brea, Fyzabad, all these people must use that road and that is a more serious priority. If he is overnighing at the Hilton because of Government business—

Mr. Vice-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. N. Mohammed*]

Question put and agreed to.

Sen. M. Jagmohan: Mr. Vice-President, I am indebted to the Senate for that opportunity.

In the second paragraph, we also see similar projects: flooding of the Golden Grove Road, the St. Ann's River downstream, the Piarco Airport again, the Oropouche Lagoon, some preventative measures for saline intrusion. The quantum is also stated where what would be spent. I am saying that in order to guarantee that something is done in the coming year to that roadway, the hon. Minister, I believe, must take immediate steps before his technocrats already programme the money and the work. This is the only way to go because when the technocrats do certain things—and they must be complimented, they stand steadfastly by their plans and programmes—we need to have that road taken care of.

Mr. Vice-President, there is a problem that the Minister of Education should address. He spoke in his presentation about all the infrastructure that is in place and that are being put in place for the pre-school arrangement. People from the deep South are suffering tremendously. Right now there is a training programme going on at the University of the West Indies for pre-school people and not very many specialists or teachers from the university are running that. People are drawn from all over the country to prepare these pre-school teachers. This is too cumbersome, too difficult, too expensive for them because most of them are presently unemployed. The Minister of Education should take steps to set up a training centre in San Fernando. An ideal location would be the Teachers' College in Corinth or another good location would be the San Fernando Technical Institute in San Fernando. Will somebody take notice of this please?

On page 10, the first paragraph on telecommunications, I do not wish to read into this, anything I have in my mind. We wish to hear from the Minister of Finance. Is it the intention of the Government to bring another telephone company into the country or invite other people to give similar service? It is extremely difficult because of the high cost, the way the telephone company is managed, because of the monopoly they enjoy. Their monopoly is draining people's pockets dry because they want to have the service of a telephone. Some of us are duty bound, when we are approached by people in the national community about certain issues. They expect us to view their plight sympathetically and we are supposed to do something for them.

Appropriation Bill
[SEN. JAGMOHAN]

Friday, December 27, 1996

3.15 p.m.

In the *Draft Estimates on Recurrent Expenditure*, it has been drawn to my attention that the 1996 allocation for the Penal/Debe Regional Corporation was \$7,423,000, and the 1997 allocation would be \$6,977,000, a shortfall of \$446,000. Daily-paid workers who are not guaranteed employment in the areas of this regional corporation are holding on to the view, with a lot of hurt, that they may not get employment because there is a shortfall in the recurrent expenditure. Can the Minister of Finance address this?

In conclusion, because of the stand taken by the Trinidad and Tobago Unified Teachers' Association and their demonstration, a number of people in the community were peeved as though it is not the teachers democratic right to march. There was a big hullabaloo about the use of the Brian Lara Promenade. I would not bother myself with that. However, most importantly, the students of one of the secondary schools in Port of Spain took part. They were threatened and photographs and recordings were taken of those who were there. My colleague, Sen. Montano defended the cause of the teachers and those pupils. We are again putting into the records, that even children have a right to dissent or disagree. Any time we take steps to prevent children from disagreeing that would be a very serious situation. We would be interfering with their fundamental rights.

For this reason we take issue with our learned friend, Sen. Daly, who is not here. He had a different view on the matter. We strongly support the teachers in their just demands. We would not support anything illegal or unjust.

Time is of essence. In the *Trinidad Guardian* dated December 14, 1996 there is an article captioned "Kuei Tung: Gas rise will be less than licence fee". Page 1 states:

"Errol McLeod, President-General of the Oilfield Workers Trade Union, accused the Government of increasing the price of gasoline to make the marketing of gasoline attractive for Shell and Texaco."

This has very far-reaching implications.

"He said 'The OWTU is totally opposed to the demonopolisation of the marketing of gasoline if it means bringing in new distributors.' McLeod said in his view this plan will operate against the interests of the people of Trinidad and Tobago."

The operational words here are “against the interests of the people of Trinidad and Tobago”.

“He said he has written to the Prime Minister asking him to stay his hand on the proposed changes.”

In other words, people in all segments of the society have rebelled and become infuriated with this budget. The very distinguished leader of the Catholic Church was reported to have said that the Minister of Finance has not given facts, figures or information to justify the introduction of casinos in Trinidad and Tobago. Everybody of substance that has to do with leadership and management in the country has spoken. When Sen. Marshall spoke about the implication of the taxation, I wondered if I understood the budget because of the way in which it is written.

Thank you.

Sen. Rev. Barbara Gray-Burke: Mr. Vice-President, this afternoon I commend the Minister of Finance for a wonderful budget. The man-in-the-street is commending the Minister of Finance regardless of what is said here. I am from Laventille and I am around the grassroots and they are in favour of this budget.

It must be pointed out that the National Lottery which was introduced in this country has its foundation in the Bible. In the book of Joshua, Ch. 7, 6—19 lots were cast to pick out the man named Achan. He had stolen a beautiful Babylonian cloak. It was worth about five pounds of silver and a bar that was weighing one pound from the city of Jericho. His sin was a curse on the nation of Israel for which the penalty was to be stoned to death. Yet casting lots was done. How was it done? It was done by writing the names of the suspects on stone as in the case of Achan. The stones were then placed into a bag. Someone was appointed to draw a stone and the name of the person on that stone was the culprit. A condemned had to confess his sin.

This is in the Old Testament and also the New Testament. In the book of Acts Ch. 1, 12—26 the disciples of Jesus Christ drew lots to elect Judas’ successor. Matthias then, was chosen. In this context, stones with the candidates’ names written on them were placed into a bag. They had to draw from that bag and when the person drew the first stone Matthias’ name came up. The disciples had a division, but they had to accept it because this was the way they drew lots. How did they do that? Many speeches were made and they prayed, in one accord, in the Upper Room to draw those lots.

Appropriation Bill
[SEN. REV. GRAY-BURKE]

Friday, December 27, 1996

3.25 p.m.

So the results of the lottery which can be described as the first voting machine, Mr. Vice-President and casting lots were done with much prayer and speeches, and many persons have claimed that they prayed before they go to play Lotto and Play Whe. The National Lottery, Lotto, Play Whe, Scratch, raffle, bingo, picking a winner from a box all have biblical basis under the term known as “casting lots”, and casino gambling can be included in some of these games under the same context of biblical term.

Of course, this does not mean that one must support casino gambling because it is based on scripture, one must support it because of the benefit to the society. One must not support it if it is associated with social evils like prostitution and neglect of family responsibilities and it is my humble prayer that no social ill or evil will enter this endeavour.

[MR. PRESIDENT *in the Chair*]

The Presbyterians and other churches oppose all kinds of gambling, yet there is gambling within the church. It is well-known that there are raffles within the spiritual Baptists churches, they recently raffled a car, they also raffle other things. The Roman Catholics also have raffles, bingos, bazaars and in the bazaars there are donkey tail, punch board and various other betting games to raise funds to build synagogues. Bazaars are organized by members of the church and the churches must first put its house in order. The church cannot build the kingdom of God under weaknesses of a government, it must build God’s kingdom on Jesus Christ, honesty, justice, truth, love, service to the poor, faith in God and the people. The church must not build its kingdom on criticism.

If the Government introduces casinos, it is willing to take in all the comments, and act in a suitable manner. The Ministers are not arrogant, they are willing to accept constructive criticism and comments, but the churches must teach their members not to participate in such entertainment. If all churches refrain from casino gambling and the social ills associated with it then therein lies the strength of the church. That is how God’s kingdom must go, one must fight evil with good because it is said the light must comprehend the darkness, the light must be a greater force to comprehend the darkness.

What have the churches done to attract tourists? Some of them do not even have a good archive or library to attract their own members. The Minister of

Finance must do what he can do to get visitors to the shore, and the church should teach its members to stay away from what it feels is against its religion.

The Presbyterian Church, which is one of the most vociferous, will be receiving an ecclesiastical grant of \$26,440 from the Government in 1997. Part of the Government's income will be derived from taxes from the Lottery so the decent thing for these churches to do is to reject the ecclesiastical grant. This is my recommendation to all the various churches. I repeat, they must reject the ecclesiastical grant and I want it to be on the record, then I will see that they are going in the right direction and do not want any blood money. As long as they are going to be accepting these grants which come from all forms of lottery then something has to be wrong.

Mr. President, I turn to the poor areas like mine which fall under the Member for Laventille West: Belle Eau Road; Trou Macaque; Beetham Estate; Beechin Cocoa and Marie Road, Gonzales are the areas of which I speak and people are happy for this budget, and old persons are rejoicing for the raise in their pension. On Christmas Eve night, I had a dinner at home for the elderly and what I heard most was the Minister's quotation that he was looking further on in the future to assist them in living a normal and satisfactory life as any other citizen. They have to go to the grocery to purchase the goods at the same price with the little money they were getting, they also have their rents and water rates to pay. With an increase to live a decent standard of life they are rejoicing. They are very happy that they can now pay their rents and eat and look to the future for something good to happen; they have faith.

When one looks at the deeds of covenant, it is certainly not a good Christian steward to give money to the church in order to get a tax refund on the amount. One must support the church on the basis of God's love and to help the poor and needy persons. Now that the Minister of Finance will not be giving any tax refund on the deeds of covenant, the church will be able to identify who its real financial supporters are, and the true ones will now emerge because they will be really doing the will of God. There will be a greater burden and one would see what God will do because what one gives will be rewarded. The *Bible* says to cast your bread upon the waters and one who is really casting his bread upon the waters, will reap the benefits.

3.35 p.m.

I want to speak about myself. I have 25 street children and some days 45 of them to feed. I want to tell you that the food comes because of faith. I have them

Appropriation Bill
[SEN. REV. GRAY-BURKE]

Friday, December 27, 1996

24 hours a day. They do not drop in for a meal and run off; they sleep. I send them off to school; some of them are learning trade, karate or tailoring. God is assisting me. This is why I know that if one is doing something from the depth of one's heart, God will provide. Have faith in him!

I observed that the churches have not commended the Government for increasing old age pension or assistance to the poor or even made a recommendation. All they are doing is saying no to casinos. Has anyone come up with a suggestion on how to raise funds to help? No! There are only criticisms and no solutions. We need solutions. When they bring the solutions, we will accept.

By the Minister's introducing casino gambling and exemption from tax on deeds of covenant, he is offering to enhance the quality of life of the church population. We will have to strengthen the faith and conviction of our members and help them to abstain from gambling. They will also have to become more committed to their responsibility of building the church of God. In time to come casino gambling will become an institution, just like National Lottery, even the churches will gain from the profits made. The ecclesiastical grant to the churches will then be increased. The churches will be concentrating more in doing the work of the Lord than in criticizing the Government for making an effort. The point is, an effort is being made. God promised to help those who help themselves.

God bless the Minister of Finance and my Government. I esteem him today. He is a prophet of hope for this country, although many seem to be criticizing or calling down doom and gloom. I say that we should let our lights so shine before men that they may see our good works and glorify our Father who is in Heaven. When one man is doing a good job, commend him and ask God to bless him to carry on the work.

Sen. Selwyn John: Mr. President, I thank you for the opportunity to make my contribution to the budget debate.

I congratulate the Minister myself and reflect to one year ago when the first budget was presented by this administration. We heard from the other side, and I want to repeat my colleague's comment, on the doom and gloom. This Government was supposed to last just three months, but today we are one year old and we can reflect on that year. One has to be really blind not to see the improvement we have had over that 12-month period.

We have also to comment on the criticism of the Government by the other side. The Government has the Senate very busy with the amount of legislation

which has been presented. We have to acknowledge that the Government is moving in a fixed manner, well-planned, and is succeeding every inch of the way in its programme to improve the lot of the people of this country. We must acknowledge also that the budget in itself has created, for the people, a measure of relief and improvement.

The increase in old age pension is something which I do not think the people on the other side appreciate. In all the years of governance of various parties everybody talked about the poor but did not bring measures. The little improvement that the poor need to keep them going has not been visible. We have seen, on this side, a Government willing to improve the situation. I take measure with my colleague, Sen. Jagmohan, about not carrying it to \$620 or \$623. I myself wondered why we must carry it there. If we can only afford the small increase which we have had in the budget, we should put it in and as the next budget comes, we may have a further increase.

Mr. President, whatever the Government of national unity brings here, we expect it to be criticized. However, we reflect on the term of office of the Opposition and we again hear it today. Their plans were to do this, that and the other, but while the country was waiting for this to be done they were voted out of power and today they are saying what they should have done.

The UNC/NAR Government is not doing it that way. We are taking decisions and as the Prime Minister has put it, 1997 is the year of implementation. We have had a whole year to reflect on the ills that beset us and what is needed to improve the situation. In 1997, we intend to have these measures implemented.

I think we ought to congratulate the Minister for his reforms and the income tax measures presented in the budget. I have been listening to taxpayers in my own organization, the NUGFW, where we have set up a desk to help persons prepare income tax returns. People keep complaining of the minute details that have to be put into a return. Sometimes people take hours deciding how to cheat on their income tax returns. Why should we reach there? We are getting what we needed. In this budget, the Minister has provided that the first \$20,000 of chargeable income shall be tax free. In the past, when we had \$12,000 tax free, if one's chargeable income went up to \$12,001, then one was taxed from the first dollar. Every citizen in this country has benefited from the measures of the Minister; whatever happens, the first \$20,000 is tax free. One does not have to find any excuse or try to find some way to bring it down to that.

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

3.45 p.m.

Further, Mr. President, the Minister has provided us with another measure. Instead of going into minute details of preparing claims as against interest and mortgages, he has provided taxpayers with another \$18,000, and they would decide how they would claim on it. I think that as lawmakers, some of us owe it to the country, not only to explain, but to guide citizens as to the benefits of some of these measures.

It was said that young couples would have difficulties in saving or acquiring homes and so forth. In my case, Mr. President, I would not benefit because my last instalments on my mortgage was made in November, after 25 five years of paying for my home. However, if my son and his wife decide that they want to acquire a home, both of them being working people would be entitled to claim \$18,000 each. Therefore, the benefit is there and one has a claim that could be made up to \$36,000 for the couple and we have to acknowledge that. How could we continue to criticize measures like these when people would benefit in any event?

If the trade union members complain, I could see with that because their trade union dues of up to \$200 have been removed. One still has that first \$20,000 which is tax free, and one still has within that, if one has the measures available, \$18,000 that could be used. With respect to the \$200.00, sometime or the other when things get better, the Minister and the union could negotiate not only \$200.00 but the entire trade union dues structure. Some unions collect up to about \$100.00 or \$200.00 and that could be considered. I, therefore, have no difficulty with that, I understand that rather than complain, most unions would have liked the union to consider wages increase and so forth.

Mr. President, my difficulty with all these things is that we come, not only to criticize, but to make demands on a Minister of Finance, in any budget debate, that he did not provide this and so forth. In the case of my colleague, Sen. Jagmohan, about the fencing of schools and the provision of security. All these are costs and I would have preferred him to come up with measures of how to provide for these costs. As a matter of fact, I know, I have been involved in school fund-raising ventures for projects such as upgrading the offices, providing telephones, providing security, fencing schools. Moreso, Mr. President, the Parent Teachers' Association gets involved by raising funds for all these measures.

The difficulty we are faced with as a country is that the extraneous expenditure that has to be met should, in fact, not have to be met. If one goes to any post office

one would see that the Government has to provide security. A policeman or security officer has to be there 24 hours per day. Some of these institutions provide three people in a 24-hour day. This is a cost to the Government. That money could have been diverted to some other expenditure, such as paying teachers and so forth, but rather than that the Government has to provide security. It has to provide security in cases where we, ourselves, are perpetrators of crime and so forth. For instance, the Santa Cruz Post Office's revenue is so small that the expenditure on security exceeds what is collected in sales of stamps and other incidentals at the post office. However, we, as lawmakers must deal with these issues and propose to the Minister measures that could offset them.

I cannot agree with my colleague when he says that the Minister must provide funds to fence the schools and to provide security. Where are all the people who contribute funds to the PTA and so forth? A few days ago we got involved with the bazaar in one of the Maha Saba schools that raised \$20,000; that was from one fund-raising measure in December. That school pays its electricity bill, telephone bill and the school security. I am not saying that every school should do this, but as the good Archbishop says, "God helps those who help themselves" and we must—rather than criticize and expect the Government to spoon-feed everybody and to provide conceivable expenditure—come here and say how to raise the revenues to meet these expenditures.

Mr. President, a very strong statement has come from the Members of the Opposition. It was first made by the Leader of the Opposition in the other place and was repeated today by the Leader of the Opposition in the Senate. They indicated that the industrial relations climate is the worst in the history of the country at the present time. If we judge it on the basis that the teachers' union had demonstrations and so forth, I feel that one has to consider the whole scenario of industrial relations.

I lead the largest union in this country and I can say without challenge from anybody that this is the best year that my union had in industrial relations, with respect to settlement of disputes and collective agreements, particularly, in the public sector. [*Desk thumping*] Mr. President, one of the most important benefits that the membership of my union has gained during the past year, is a job security arrangement for which we had been fighting since 1994. An agreement was reached with the previous administration and they reneged on it. It was only when the present administration came into power that they sat with us and finally agreed that workers would be placed on the permanent establishment once they completed

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

10 effective years' service in any ministry or department. Today, we can put on the record that over 18,000 workers benefited by that measure. [*Desk thumping*]

3.55 p.m.

Mr. President, we keep emphasizing money and increases and so forth. We got that, Sen. Jagmoham. One of the last things that we were able to do in 1996, was to sign an agreement with the Government for central and local government workers and the statutory authorities on a cost of living allowance settlement. This brought about a settlement of a long-outstanding issue that dated back to 1993 where this agreement provided for increased cost of living allowances for the years 1993, 1994, 1995 and 1996. While we were here last week debating this budget measure, you might have noticed Minister Sadiq Baksh in and out of the Chamber; his was the only Ministry that was not able to finalize the arrangement for payment before Christmas because it is the largest ministry. I publicly thank Minister Baksh for getting his staff to work 48 hours continuously so that the daily-paid workers in the Ministry of Works and Transport were able to get their payment by Christmas Eve. Thank you again, Minister. [*Applause*]

These are the settlements, I believe, we have to reflect on. Industrial relations does not mean marches and so forth. Marches, strikes and protests came from me. I am the only trade union leader in this country who brought 33,000 people on the road in 1994, protesting against measures that prevented my people from getting employment; that prevented lay-offs and retrenchment. Today, we are benefiting from it by the UNC/NAR administration agreeing to a job security arrangement that all these workers are now protected by being put on the permanent establishment and, hopefully, this Government would remain in power so that they would continue to enjoy the benefits of such measures.

It is not that we want to blame anybody, but we had an agreement on this with the PNM administration. It took us two years and in 1995 when they went out of power, we still could not get it implemented. So that if anybody has built the fortunes of the UNC/NAR administration it is the PNM, having refused to implement an agreement they reached with a union. The UNC/NAR administration said once it is a collective agreement they would honour it and I thank God that they came into power. We are afraid if the PNM comes into power again the workers would begin to suffer. [*Laughter*] So when the Leader of the Opposition says that he is supporting the fight of the teachers for increased pay and better conditions, the teachers' claim is for nine years' backpay—not one year. This Government has

been in power for only one year. The PNM was in power for the last four years. Why wait until the UNC/NAR administration is in power to say that they support the teachers? When they were in power why did they not support them and implement those measures that they are now saying they would have done?

Mr. President, I am very surprised. As a matter of fact I was not supposed to speak. We had decided that we would allow the Ministers to make policy statements and try to finish this debate as fast as possible. *[Interruption]* We have to do it because when people get up and they make contributions which are irrelevant and of no effect, somebody on this side has to correct them and I am one of those who would do it. There are people who still believe that there would be a time when they would get back in power. I think Mr. Manning has misread his fortunes. There is no possibility of Mr. Manning returning as Prime Minister or the PNM returning to Government once we, on this side, do what we are doing and continue to do it the way we are doing it.

Let me just say that the benefits which have been accomplished by the trade unions in the public sector have been very tangible. We have been wrapping up negotiations for a pension plan for Government daily-paid workers which has been agreed in principle since 1966, in what we used to call the Throne Speech at the time. The announcement was made that the government of the day would have implemented measures of retirement benefits in the form of pensions for daily-paid workers.

In 1994 we had some proposals made by the then Government. Mr. Draper being the Minister offering it to the union and the union deciding, "well, we waited so long; we did not make the offer but we would accept it and then build on it." After agreeing to accept it they never implemented it. Mr. President, let me announce that before the end of this year we hope to sign the collective agreement to introduce pensions for the workers classified as daily-paid workers in the Government service. If we did not get any benefit at all as trade unions, that one benefit would be sufficient for me to say that the Government has agreed to provide a tangible benefit to that group of workers. I am the one who is representing them and I would make sure that every worker knows that the Government finally agreed, and the UNC/NAR Government are the people who have agreed to have this implemented.

Mr. President, I want to deal with an issue which pertains to the criticism of the Minister of Labour and Co-operatives failing to address issues. One has to be honest. With one year in office I think the Minister of Labour and Co-operatives,

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

Mr. Harry Partap, ought to be congratulated, and having come from a field different from the discipline of industrial relations or human resource management, I think he has done a magnificent job in bringing about a restructuring of the Ministry of Labour and Co-operatives. So we are now moving in a direction that one could say, in fact, that the Government has an effective ministry in which one could deal with disputes, conciliations or settlement of issues between trade unions and employers. The Ministry of Labour and Co-operatives in Trinidad and Tobago—I know Senators on the other side like Sen. Mahabir-Wyatt and all those practitioners like myself who have to deal with them, went into the ground—was almost non-existent because of a policy decision taken by a previous administration that the ministry is not to deal with issues of conciliation or mediation, but place the emphasis on manpower development. If there are problems the only measure that is available, besides going back to the war of the jungle, is an effective machinery in which some institution could be made available to bring parties together to resolve these issues.

4.05 p.m.

As a consequence of policies that were put in place, that Ministry deteriorated to almost nothing. The people whom this country spent millions of dollars in training in industrial relations, reached a stage of frustration, and a number of them, over three-quarters of a dozen of our best trained people in that field had to leave the Ministry of Labour and Co-operatives. We ended up with a shell. The extent to which this thing reached: You had the dismissal of a Permanent Secretary; a Director of Labour Administration had to resign, and the senior people in the hierarchy of the Ministry of Labour and Co-operatives left, so that when Mr. Partap took office as Minister of Labour and Co-operatives, the people he met there were all green; not able to advise themselves, much less advise the Minister. You know we are trade unionists and some of us had to give advice to the Minister as to what and how he should deal with the situation.

If one looks at the Industrial Relations Act, where the emphasis has been placed on expeditiously settling disputes that are reported, my union alone had over 250 matters in the Ministry of Labour and Co-operatives for which we could not get the unresolved certificate that tells us that the dispute between us and the particular employer was not resolved so that we had the right to take the matter to the Industrial Court. Even that you could not get out of them.

This is what the present Minister of Labour and Co-operatives inherited and this is what he had to begin with; trying to resolve the situation. Let me report that today that Minister was able, in that short space of a year, to get certificates that

have been outstanding for about two to three years expedited so that trade unions and employers could be aware that these disputes are unresolved and then take them to the Industrial Court.

How many people would know what is involved and what is required? That Minister has, and if I were him, I would look all around the place and get people like Mr. Jagmohan, with 31 years' service in industrial relations, to come work and help us resolve the problems between parties.

Sen. Jagmohan: Not 31 years. It is 39 years.

Sen. S. John: Thirty-nine years' service. Sorry, I apologize. How could you, in a country with turmoil in the labour sector like Trinidad and Tobago has had, and continues to have, have an institution like the Ministry of Labour and Co-operatives, that a labour leader going in there would have no respect for somebody who has come to conciliate between his union and an employer?

I want to put it on record that the PNM administration was part and parcel of mashing up the Ministry of Labour and Co-operatives. [*Desk thumping*] Mr. President, it goes beyond that. This country became independent in 1962 and this country was an active participant in the work of the ILO, prior to Independence and continuing after Independence.

Mr. President, I have been to the annual conference of the ILO on about 11 different occasions. I think the record of attendance in this country might go to Sen. Mahabir-Wyatt who represented the employers at the same forum. I represented labour. There were a number of people who participated in that forum. There is a conference that is held every year during the month of June, and that conference receives reports from its various committees that work towards bringing about conventions on labour standards that become part and parcel of conditions of workers and employers in different countries. Hopefully, these are implemented to benefit the country.

Last year, 1995, I attended a symposium in Denver, Colorado, in which the Latin American and Caribbean trade union heads met, together with the employers in the area, but moreso the administration of the United States government. It was put to us that if we have to participate in all these fora: Caribbean Basin Initiative, the Common Market of the Americas, and so forth, one of the insistence of the United States government would be that all the labour standards that have been agreed to by the ILO must be implemented by any nation that applies for membership. If Trinidad and Tobago wants to be part of the Common Market of

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

the Americas, that is coming in force in the year 2005, we have to ensure that all these conventions are accepted by us. In fact, they mentioned to us that two countries were debarred free trade to United States at that time—Peru and Paraguay—for failure to honour these conventions.

Here in Trinidad and Tobago, every year we attend the ILO convention, the Government meets the expense of a delegation which is provided for in the articles of association of the ILO. The Minister heads a delegation that comprises the employers and the trade unions and we participate in all the discussions that lead up to agreement on these conventions.

In 1994, the then Leader of the Opposition in the Senate, Sen. the hon. Wade Mark, questioned the Minister of Labour and Co-operatives, Kenneth Collis, about the absence of the Minister of Labour and Co-operatives at the ILO's annual conference in Geneva. The reply was that he did not think that the forum was for ministers to attend. You wondered if that fellow was sleeping, or if he knew what he was involved in, because in that year, of the 176 countries that attended the ILO conference, 174 ministers were present. Trinidad and Tobago happened to be one of the two countries from which the minister did not go.

We talk about responsibility. I would not say disrespect. What I would say is that it was a failure to acknowledge that labour standards play an important part in any country's development, particularly taking into account the social fall-out that could be had. If we had things like maternity leave, the convention on maternity leave and hours of work, or for that matter, workmen's compensation, we would have been in a quandary. What do you do when cases come up where somebody died during the course of employment, or for that matter, collective bargaining as the right of trade unions to represent workers?

4.15 p.m.

This is the point I want to make. If the Minister did not acknowledge that the presence of a minister was important, then the correct thing was for that Minister to resign as Minister of Labour and Co-operatives. But then, that is the Minister of Labour and Co-operatives in an administration where they said that they cared. I think Sen. Mark himself, being a trade unionist, was the most shocked person when he heard what the Minister said. I asked him: "Are you sure the fellow was not sleeping when he answered?"

In this debate the issue was raised as to what is the position with the Wages Council's decision with respect to the security guards. It is pathetic to see how

people with responsibility deal with issues like that. Mr. Partap has just come in and people are questioning what he is doing, but about two years ago the Minimum Wages Board reported on their recommendations with respect to the security guards. It followed that reports were made on the hospitality industry, the gas stations industry, the shop assistants, and so forth. When the Minister brought the matter to Parliament, it was tabled and as Parliament convened, he withdrew it. He said he brought the wrong paper.

I have to contain myself here because I represented the trade union movement as a member on the Minimum Wages Board and one has to understand what that board has to do before it comes up with a resolution of these matters. First, the Minister has to invite the board to consider the issue; secondly, the board calls all the parties involved to make presentations to it; written memoranda, then have oral evidence; bring in experts; have before it anybody who could be of assistance. For the first time the board found itself, after finalizing the report, awaiting word from the Minister as to the outcome. When months passed and nothing was heard from him, a delegation of the board met with the Minister who told us he sent it to the Chief Personnel Officer for their view. You know how I operate; I went by the CPO's office to find out what was their view, only to find an ordinary clerk dealing with an issue on which the board met and had experts' input, including the employers and their economists and so forth, who finally came up with recommendations; then to find that the Minister, after all this, brought the wrong paper to Parliament.

Up to today, that matter remains unresolved. A new board has now been appointed by the present administration and hopefully they may be able to deal with it. But look at the lapse of time, the extent to which people have had to suffer. In that exercise, we found out that the easiest business for anybody to get into was the security business. Some of them are tendering for jobs at \$6.50 an hour. What do you expect them to pay these people who work for them?

This is the ridiculous situation that one finds oneself in and then people are coming here to criticize poor Harry Partap, the Minister of Labour and Co-operatives, who has just assumed office. But as I say, I have been around for a long time and as I told Mr. Partap, if I had my way I would fire everybody in that Ministry of Labour and Co-operatives and Co-operatives and bring in new people. They did not have that experience where a Permanent Secretary was dismissed. I am not talking about sending a letter, but constructive dismissal. All the senior labour officers left, either by frustration—

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

Let me put on record also, the most outstanding expert on industrial relations in the entire Caribbean, a former judge in the Industrial Court, a former director of the Caribbean office of the ILO, Dr. Zin Henry, was relieved of his position as adviser to the Minister of Labour and Co-operatives.

Hon. Senator: By the PNM.

Sen. S. John: I believe everybody knows Dr. Zin Henry, the foremost exponent in industrial relations in the entire Caribbean, who served as adviser to the Minister of Labour and Co-operatives, was relieved of his post and replaced by a good friend of mine who was a foreign service officer in Geneva in the Trinidad and Tobago mission. The fellow admitted to me when he came, "Boy, I do not know anything about this; I was asked to serve."

What do we expect to come out of a ministry like that? I hope when these sorts of accusations are made, we take into account the facts which resulted in that ministry being what it is and hopefully we could bring it back into a place where unions could feel free to go and have issues resolved, or if not resolved, to get an unresolved certificate to be able to go to the Industrial Court.

There is also the Registration, Recognition and Certification Board under the Ministry of Labour and Co-operatives and Co-operatives. When there was this public service reform, the only expert on that board, Errol Keith, the Secretary, took early retirement because at a forum under that reform, the staff took a "turn in his skin" and told him, he does not work; it is they alone who do all the work. So he said, "well okay, if they do all the wok"—and he left, although we begged him to hold on. So we have ended up at the Registration, Recognition and Certification Board where, although under the law matters must be expeditiously settled, there are outstanding claims for recognition for the past two years which cannot be resolved.

Hon. Senator: More than that.

Sen. S. John: More than that. Unions like the Bank and General Workers' Union, led by Sen. Cabrera, being one which has to suffer because the last time he counted there were more than 30 claims for recognition. My own union must have had about 20 or so, including claims for agency shop measures which are over two years old.

The Minister is under difficulty to find adequate staff. This is the first institution, a statutory board, where the employees of the board are public servants and the board has no say, where they come one day and find somebody went on

leave and they cannot even question that. But it is an important institution. This is where some of the biggest disputes in industrial relations came up in this country, because of claims for recognition, or poaching by unions. This is the body that was set up to avoid all these disputes. What would happen now is that the unions would begin to grumble again.

I thought when my colleague on that side was speaking, he, too, would have been able to highlight these things because he is aware of them and he knows the difficulty the trade unions are going through to resolve issues of dismissal—a worker being dismissed and having to wait two to three years before the matter is heard before the Industrial Court, and one cannot really put the blame at the doors of the Industrial Court because it is taking the Ministry of Labour and Co-operatives and Co-operatives over two years to issue an unresolved certificate for the union or the employer to report that matter to the Industrial Court.

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. W. Mark*]

Question put and agreed to.

4.25 p.m.

Sen. S. John: Thank you, Mr. President, and again let me shift from this because, there is no answer on the other side. They have created the problem and they should not be talking. If there is anybody that should avoid talking about the state of industrial relations in this country, it should be the Opposition. They were there for the last four years and not one word was said by any of them to help the teachers.

I want to say, Mr. President, that we have confidence in the institutions in this country. We have confidence in the Government of the country, and in the trade unions in this country, and we hope that TTUTA could resolve the issue that is there, that people are talking about. One must remember that in the outstanding arrears issue, TTUTA came up with the question of settlement by bonds. This was their idea, so that one would feel that they have the ability to come up with proposals that could resolve the pay issue. It is nine years old. It is a long outstanding thing.

This country has been in recession for more than 13 years, and one would feel that—as one teacher put to me, he has \$80,000.00 backpay to draw; an executive

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

at TTUTA. And I asked, well if you have \$80,000.00 and you have 12,000 teachers, then tell me how much money you all expect the Government to provide?

That seems to be the problem. Do we have the resources, or are the resources readily available? Have we taken into account the fact—yes, we promised to pay, but we also promised that we would provide security of employment for over 105,000 public sector employees. So we could pay; let us pay, and send home half of them, and the same Senator will be coming back here to question, how could you send people home?

The point I am making, Mr. President, we feel that the issue of the teachers could be resolved, and that the NATUC, the trade unions, the teachers, have the competence to come up with proposals to resolve it. In my own case, I have settled my negotiations in the public sector, and today I could say I am a happy man; that I have no sort of pressure on me from my members that they have these things outstanding haunting them. So that whatever we could do—you in the Opposition if you say you support the teachers and you would settle, come up with proposals and help TTUTA to settle. I will be the most pleased person. I am prepared, and we are doing everything in our power to bridge the gap and to settle the matter.

I did not get something for nothing. I had to fight every inch of the way, and I had to fight harder with a UNC/NAR Government to get issues settled, than I had to fight with any other government, but the point is, I settled it, and my members now could feel assured that they have some measure of job security, and we can move on from here.

To say hypocritically that, "I support the teachers"—Manning quoted there—and that "I support the pay issue", when he was the Prime Minister and head of a government one year ago, he knew these issues were outstanding, and he never settled them. We want to see him go and march with the teachers. I will go and march with the teachers. We want to see him go and march with the teachers.

Mr. President, one issue that I would like to deal with before I finish, is this question of housing. Trade unions must also remember that bread and butter issues are not the only financial issues, these days, that one could talk of. The NUGFW just completed the first phase of a 500-unit development, and the Prime Minister in the month of November, handed out the keys to the 32 units that were finished. Thirty-two of them. We cannot build more than that at a time because we do not have money, this is a private sector initiative.

To tell you the history of it, just one statement. For 13 years, we have been waiting for the title of the state lands to build these houses, and we had to fight every bit of the way. We still have not got all; of three portions, we only have one. For 13 years, Mr. President. Some other union—and you know, the part of it that one could not understand, everybody calls on trade unions to find out what contribution they are prepared to make.

Sen. Prof. Ramchand: Mr. President, this is a budget debate and we do have a lot of latitude, but is the Senator relevant?

Mr. President: In the budget debate we normally allow some latitude, relax the strict procedures, and this is why you may have observed earlier on, we permitted certain Senators to even read their contributions. So I will allow him to continue.

Sen. S. John: Thank you, Mr. President. The point was made that the labour movement is not doing its part to assist the country, and a trade union has got involved in housing. We have completed one estate already, and I want to invite the Senators, go to the Teachers' Training College in Curepe, and look at that development. That has been a trade union development.

The trade unions feel that the Government alone should not be involved solely and wholly in housing, that other people should get involved—the private sector, the trade unions. Here it is that we are making an attempt to provide more housing, provide more employment and we have had difficulty, but let me say, thank heaven that we have a change in administration. The deeds are now being prepared so that they could be conveyed to us so we could take possession of the land and start to put up houses.

So that, yes to comrade Jagmohan, this Government, in one year is on record as providing 543 units. It is much better than the record of the previous administration, that for four years they did not provide any. None! And what we want to point out to them is, if a trade union could provide and build houses within budget and before time, they could have done better than us. Do not be ashamed. We have done it, the record is there and Sen. Jagmohan will tell you when you all sit down, what involvement we got in it, how many people we were able to provide employment for, and that people are comfortably living in them. The record is there.

Mr. President, I want to feel that this Government has moved from stride to stride since November 6, 1995, and hopefully when I speak next year on the

Appropriation Bill
[SEN. JOHN]

Friday, December 27, 1996

budget, I may not have to, the record would tell them that they have nothing to say, and that we could come back here and pass a budget within an hour or a day.

Thank you, Mr. President.

4.34 p.m.: *Sitting suspended.*

5.07 p.m.: *Sitting resumed.*

Sen. Dr. Eastlyn Mc Kenzie: Mr. President, I am wondering to whom I am addressing my comments on the budget because the hon. Minister of Finance and Minister of Tourism is not here nor is the Leader of Government Business. I am really wondering whether the contributions that Senators have to make really make any difference.

Mr. President: Let me just explain that even though the hon. Minister may not be here, notes are being taken by officials from the Ministry.

Sen. Dr. E. Mc Kenzie: Thank you for that assurance, Mr. President. In his absence, however, I congratulate the hon. Minister of Finance and Minister of Tourism and the staff of the Ministry of Finance—in fact, from the various government departments—who would have had some sort of input into the final document that he has presented.

We do not seem to have very much clout when it comes to changing anything that may have been put forward in the budget, however, I hope that we could make some suggestions to help buffer some of the hard shocks and to enhance the delivery in other areas. It is hoped that the hon. Minister will ponder on some of the suggestions given and the recommendations made by the various Senators so that the population as a whole would be better served. I am also hoping that in his winding up the hon. Minister will educate, inform, clarify, explain and resolve to take certain actions.

I think from the measures announced that the burden of making this budget work, as it is hoped it will work, would rest mainly on three different areas: the hon. Minister of Culture, Women's Affairs and Community Development, whom I am happy, and probably a bit sorry for; the hon. Minister of Education and the hon. Minister of Social Development. I would explain why I have come to this type of conclusion.

Mr. President, I look at the income tax adjustment and the basic allowance of \$20,000 and the cry has been that it is unfair. I will explain what I mean. It is said that the people with no children will claim the same \$20,000 as people with six children so I would hope that some of the burden of raising children would be

provided by the social amenities that would come from the Ministry of Social Development. As hinted by Sen. Prof. Kenneth Ramchand—I am so sorry he did not have the time to conclude the education section of his presentation—services such as school feeding, pre-schools, dental care, where dentists were taking care of the children's teeth in the schools and visits by doctors and nurses should continue, and be increased as part of the caring for children. So that sort of tax credit one could have claimed for a child can be got in another area. Instead of getting the finance one could get it in a service. I am hoping that the various ministries responsible would see to it that children benefit in this way even though their parents would not.

Mr. President, I looked at the section of employment creation and feel it is a very good move that some sort of incentive would be given to persons who employ others or take on additional staff in the new year. I want to make a special plea for handicapped persons, that the Government should give a special increased incentive to people who employ handicapped persons so that the handicapped would be given an opportunity to earn a living by providing whatever services they are capable of giving through being employed.

Mr. President, I looked at the Geriatric Adolescent Programme and the CARE agency that the Minister mentioned in her presentation, and wondered about single people—not a Government agency—who may want to employ some of these persons to take care of their aged, sick or handicapped children at home for a good wage. I understand there are people who pay over \$1,000 to people like these. Probably if we make this an incentive, individuals as well as businesses will benefit from this special tax incentive.

Old aged pension is very good. I know that we would always say it could be more, but a little at a time and we would probably get there. I ask that the Ministry of Social Development try to respond to the social needs of the aged, especially those in rural areas.

Mr. President, one would be surprised to know how difficult it is even for some of them to cash their pension cheques. Even that basic service of being able to cash their pension cheques is something that the Government could look at. I am hoping that the Ministry of Social Development would look at it. All our banks are in Scarborough and there is one at the airport. We do not have any banks in the windward area. The Inland Revenue Department does not cash the cheques, so they are forced to probably give it over to a shopkeeper and when they do that they have to take the goods they need there. They cannot buy a pound of fish. I think the Minister can look at it in that area and see what could be done.

5.15 p.m.

With respect to the motor vehicle licences and the "swap" as I call it, for the gas, I ask that measures be put in place to ensure that vehicles are insured. I do not know what plans the Government has, but I am hoping that some sort of procedure could be put in place, whereby, there could be checks to ensure that as many vehicles as possible are insured, because the licensing was one way of ensuring that they had the insurance.

With respect to the credit union shares and the cry for the need for savings, I appeal to the Minister of Community Development, to shift the focus of the ministry's officers. Sen. Baksh would tell you that in our time it was very different, because we operated in a different environment, and now that we have this type of dispensation, I am appealing to the Minister to ensure that the staff at the Community Development Division, in their public education, try to encourage villagers, ordinary people, as to the importance of savings. That they must not necessarily always have a tax incentive to save, that they must look at saving as a part of their psyche, bring back the sou sou, whatever we had, that our parents used to save to educate the children and to buy land, and build houses. Let us see whether we can go back to that. Let the public education from your officers, carry a part of this.

I go to casinos. In Tobago on Monday, an organization called ROOTS, sponsored a public forum on casino gambling, and invited the public in Tobago generally, and specifically representatives of the Tobago Chamber of Industry and Commerce, the Tobago Hotel Association, TIDCO, Tobago House of Assembly, inter-religious organizations, Tobago Association of Non-Governmental Organizations, parliamentary representatives for Tobago. I attended that meeting and the discourse was interesting. I would just like to report in summary form, on some of the comments made.

It was said that we as Tobagonians, were very ignorant of what this casino thing is all about, and so I think that the first duty of the Government, is to educate, inform, clarify, clear up, and let people know, when they talk about casino gambling, exactly what they are talking about; we do not know. Because of this ignorance, the hearsay, and the fear of the unknown are very evident, as one converses with people. There is need for education.

The forum also wondered, why was there no consultation, because there were members of the old THA in the audience, and they confessed that nobody consulted

them. There were also members of the new THA, and no one had consulted them either, and yet it is proposed that this is something that is going to impact specifically on Tobago. That was another one of the criticisms. It was said that this Government boasted about open government and participation of people, yet there is no mention of having consulted, or of any plans to consult.

The participants saw more moral decay, and societal deterioration, financial gain versus societal liability, prostitution, domestic violence, drugs, and conflicting signs from the Government, which says that there is the cry of war on the morale of the crime and drugs and so forth, and yet they are proposing this.

It was also said that no details are being given. Hotels of what size? Would it be for new hotels? Who will operate the casinos? Who will be the owners? Who will be the players? What type of employment is one speaking about? How much does one expect to gain from it? What revenue does Government expect from it? These are some of the questions.

Then it came down to this issue, Tobago has been sold as a tourist destination on several amenities: eco-tourism, scuba diving, honeymoon and events tourism, the rain forest, bird watching, and this type of tourism meshes with the natural inclination, love, and lifestyle of our people in Tobago. Therefore, why such a stressful, unknown entity as casino gambling, when what we know and what we are trying have not been exhausted to the fullest? They also said that this type of casino initiative is going to stifle the growth of entrepreneurship. As I said, who will own, who will operate and who will gamble in the casinos? The point was made also, that when one looked at the tourism master plan there is nothing about casino gambling in it. The tourism master plan conforms with this thing. In fact it says:

"Tranquil Tobago:

A gem of a destination;

Peaceful, unspoiled and friendly, sun, sea, and sand destination with eco-tourism experiences;

Friendly people, unique natural attractions, heritage sites, marine resources and interesting communities;

High quality, high-end resorts, in scale with destination;

Smaller hotels and inns with more intimate appeal; and

Specialty tourism products including diving operations and eco-tourism and lodges.

Tobago has a distinct and recognizable image in the marketplace, based on its 'sun, sea and sand product', its tranquillity, and its unspoiled, charming Caribbean flavour.

Tobago, protected by sandy beaches, varied topography and accessible coral reefs have been developed into a number of recreation products and activities. The island has a highly rated golf course, several historic sites. One of the most notable features of Tobago is the forest reserve, the oldest rainforest reserve in the western hemisphere".

We have sold this. The question was asked: If we attract this type of person who likes this type of peace and calm and tranquillity and then we bring in casino gambling, will we be chasing off one set and bringing in the other, or could they co-exist? These are types of questions that came out of the symposium.

Mr. President, I am saying that we need to look at this. My own feeling is, the Minister has thrown out this, I do not honestly believe he intends casino gambling for Tobago, I may be wrong, but I honestly do not believe. I believe he has thrown out a tentacle, and he is going to see if it takes root, because I think he knows that some of the rules that the Assembly, and the division of Town and Country Planning have for hotel construction in Tobago, are contrary to casino gambling, because as far as I have heard one hotelier said, this is a plan for hotels of 500 rooms and more, and the Town and Country Planning Division says, no hotel will be built in Tobago over 250 rooms. I am not worried at all, because I know that they would have to come and change this measure, and we in Tobago intend to do a public education about casino gambling and what is in our tourism master plan, so that our people would be educated and informed. I would like the hon. Minister to know that we in Tobago have begun to do our consultation on casino gambling, and the feedback we have had, is very negative.

The question was asked again: Have we exhausted all the non-controversial areas to generate revenue? We have some areas that are quite calm and peaceful, no worry and no trouble. Have we exhausted those and failed and are now turning to this stressful thing that our people do not understand and as a consequence, are fearful? This is one of the questions that was asked.

Mr. President, we in Tobago would like the hon. Minister to note, that we are very watchful, we are going to be very careful. We have had very many calls. I have had calls not only from Tobagonians resident in Tobago, but also from some

who are resident in Trinidad. In fact, today I got a call, a message even coming from Philadelphia.

5.25 p.m.

I congratulate the hon. Minister of Finance and Minister of Tourism on the increase for the development programme for Tobago. It has been increased from \$51 million to \$81 million, and we are very grateful. We have seen that many of the development projects that are on stream have been included in the budget for next year, and we express our gratitude for that.

We know that he has announced that there will be a review of the recurrent budget because of the change in the legislative and constitutional arrangements for Tobago. I know that the Minister would stick to his plans, that he would consult with the Tobago House of Assembly and that the best will emerge for us. I again say to him, congratulation.

There are several other increases that we have seen. There have been increases to the Ministry of Health's allocation for the Tobago Council for Handicapped Children and I am extremely grateful for that. There is an increase of about \$74,000 and where credit is due, I extend it.

Mr. President, I know much of what will happen in Tobago for the ensuing year will depend very much on the action and the performance of the new Tobago House of Assembly. One can only hope at this time, that having had the kind of financial support from the Government, that the Tobago House of Assembly will produce. I sound the note, and I advise the hon. Minister, not to boast of having very smooth sailing with the introduction of any casino gambling in Tobago. I take sympathy with my Tobagonian colleagues on the Government side because I know what their situation will be. I can tell you that when something is against the Tobagonians, party or no party, government or no government, they are going to stand up and say that it is wrong; and, if they do not like it, they are going to say that they do not like it. Public education has begun because people have begun asking: What is this casino gambling about? What do they do in these places? With the type of spiritual and religious background that Tobagonians have, they are going to look at it very carefully.

The comparison made between Lotto gambling, is like telling friends, "you smoke cigarette, so it is okay to take cocaine." It is not the same thing. The sort of spin-off ills are too great. There are people who would argue that if one is playing Lotto then, what is wrong with casino gambling? There are certain

Appropriation Bill
[SEN. DR. MC KENZIE]

Friday, December 27, 1996

activities that carry with them some sort of hinges, impediments, barriers and ills that one cannot afford in a small population as Tobago. It is something that has to be well-thought out. It is something that we have to weigh well.

Finally, thank God, we in Tobago have the power to say we do not want casino gambling. I am sure that the pressure that Tobagonians will put on the new Assembly, they dare not come and tell the Tobagonian public that they want casino gambling. They are a people when something is against them they are going to speak out.

I know that the members of the Tobago House of Assembly are very smart and sensible people. They are village-oriented and the people will let them know. If this is one time they are going to go against national policy, this is it. I speak for a cross-section of the people who presented their views in a symposium held on Monday, December 23, 1996 and I am sure that Tobago will be very watchful as to what happens with this.

I advise the hon. Minister to take it easy. Go slow. Plan well and let the people of Tobago decide how they want their development to proceed and the methods by which they want to get wherever they want to.

Mr. President, again, I say to the hon. Minister and to the hard-working staff in his ministry and in the other different ministries, thanks for the very hard work, I am sure they would have put in, and for the type of juggling the Minister would have had to do to come to the final decisions he has made.

I know that he could not have pleased everyone but I hope the edges that are rough, some things could be done to smoothen them through the different ministries, especially in the Ministry of Community Development, Culture and Social Welfare and the Ministry of Education, to ensure that our children and our old people, our handicapped people, our unemployed and our poor people are given that type of power and opportunity to strive for excellence.

I am not going to hold the Minister of Finance and Minister of Tourism responsible for one single failure of this Government. The agencies responsible for implementing the policies are the agencies that we are going to hold responsible. Provide the funds and let us consult, come together, decide and do what is best for our people.

I do not know who will tell the Minister all that I have said. I am satisfied that I have not spoken to an empty chair. I have been told that what I have said would be

relayed and I accept that. Let me hope that he will consider what I have said important enough to read and that some action will be taken.

I have spoken and if no action, whether negative or positive, comes back to me to say this can or cannot work, I would feel that I have done a disservice by leaving my home and coming here and just talking to the wind.

Mr. President, I thank you very much and congratulations.

Sen. Dr. Dhanayshai Mahabir: Mr. President, once again, I consider it a great privilege to be addressing this honourable Senate. Before I launch into my presentation, I think it is only fitting that I thank all Members of this Senate for the warm welcome which was accorded to me on the last day I was here, and which enabled me to begin producing since I felt so comfortable in this Chamber.

Also, I thank my former teacher, Sen. Dr. St. Cyr for the training he gave me while I was a student of his in the course, Caribbean Economic Problems. If there is merit in what I have to say, I credit him entirely with it. If there are any faults then it was only because I did not pay full attention as I should have in the classes that he gave.

Mr. President, I would like at this late hour—and I am very glad that the Minister of Finance and Minister of Tourism is here—to undertake a clinical analysis of the budget. It is important to stand back a bit and ask ourselves certain pertinent questions. First, what really is the objective of any Minister of Finance when he or she is contemplating a budget? Traditionally, the objective has always been to collect as much revenue as the Minister can and to then use those revenues to maximize something. What is the maximand of the minister? For the accountant we know—Sen. Marshall would be very versed in these matters—it is profits. But for the Minister of Finance the maximand is the social welfare. While the Minister is attempting to maximize the social welfare and to collect as much taxes and as much revenue as he can, he must ensure that he does not overtax the economy but ensures that it remains intact. That has to be, from a philosophical perspective, the objective of the Minister of Finance.

This particular Minister of Finance and Minister of Tourism, as he strives to achieve these objectives, is faced with a number of constraints. An important constraint of this Minister as it was of the two Ministers of Finance before him, is that the economy is heavily indebted. The second constraint is that despite all the efforts which were expended for over a generation, the economy is

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

slow to diversify. The third constraint with which I would deal is that constraint on the structure of the budget itself.

5.35 p.m.

First the debt. To whom are we indebted? We are indebted to the foreigner. The latest figure we got is \$1.8 billion. We are indebted to Central Bank. We are indebted to the domestic private sector. We are indebted to our public servants and successive Governments have contracted a social debt, a debt that we do not normally quantify, but a debt that has arisen because of the state of impoverishment of the economy. That is a debt for which there is no bond but it must be morally serviced.

The economy has been slow to diversify. After over a generation we still find agriculture contributing no more than 3 per cent output of the society—a figure which I have disputed—but even when one takes my concerns into account, that is, a lot of agricultural output is not added in our GDP figures, we still find agriculture's contribution to GDP is considerably lower than it should have been despite all the efforts which were expended.

Tourism contributes less than half per cent. For over a decade we have struggled over this industry and the best we can show is that this industry is contributing less than one per cent of our output. The manufacturing sector, despite all the tax concessions which were granted a number of years ago, despite the protection that was given, the manufacturing sector contributes an approximate 8 per cent of GDP. So all told, these three potentially leading sectors contribute just over 10 per cent of the output of our economy. And that has to be worrying. It has to be worrying for this Minister as it was worrying for previous Ministers.

An important constraint is that which relates to the structure of the budget itself. Previous Ministers and this Minister have less and less room within which to manoeuvre with a significant amount of revenues already allocated to servicing the debt. With a wage bill that frequently exceeds 25 per cent of tax revenues, we find that the Minister typically on a normal budget, will have just over 40 per cent of all its revenues available to finance the various needs and desires of the community and also to expand the capital stock. Therefore, the room within which he can manoeuvre is limited.

There can be a lot of criticisms of the budget and of the measures which were introduced, but these unfortunately remain recalcitrant facts. Given these constraints, the Minister must satisfy the competing interests. Who are these

interest groups? The interest groups would naturally include the business sector, and if we were to use a class analysis, we can say the next interest group will naturally be the working class and the third interest group will be the underclass. The fourth interest group to which we must now pay considerable attention is an interest group which is too young to participate in economic affairs; it is an interest group which will hold me accountable 20 years from now; it is an interest group called the future generation; the two-year-old granddaughter whose debt burden Prof. Kenneth Ramchand had me calculate.

How did these interest groups fare with respect to this particular budget? Certainly the business class should be better off with this budget than it was before. There were certain measures which were introduced that were favourable to this class. These measures would include the employment allowance, group relief in taxation, the reduction of the business levy and significantly no increase in the corporate tax, an issue to which I will return.

For the working class, now that the dust has settled, I think it is fair to say that by and large, the working class who earns less than \$60,000 per annum should be better off, given the \$18,000 allowance granted by the Minister and the significant decrease in the personal allowance. The working class which earned in excess of \$60,000 would be marginally worse off, given the reduction in the mortgage interest allowance and other allowances which they normally would have used. The underclass has been marginally better off to my mind, given the conscious effort on the part of the Minister to cater to this group, the aged, and to a group that is traditionally dispossessed. Of course, there is more to do in this area but the fact that the Minister has made a step in the right direction is one which must be commended.

Now, it is important to highlight what are the good points of the budget and this morning Sen. Nafeesa Mohammed was speaking to me in a kind of accusing manner stating that all I was saying would be good things about the budget. I think it is important to mention what clearly, objectively, can be considered to be the good measures in every budget and I would want to allay the fears of the good Senator that I would spend some time addressing the issues which certainly can be classed under the not-so-good category. It is important to highlight that which clearly, unequivocally is good and in every budget there should be measures which are good in the sense that these measures improve the social welfare; they improve the material well-being of the society. There would also be measures which are not so good because in the process of improving the welfare of some, there are others

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

who will naturally have to concede economic territory. It is only in a situation of phenomenal economic growth that it is possible to increase the welfare of all the people at the same time. When the growth has been stuttering along and when we are struggling to find our way back from the morass in which we found ourselves for past 13 years, it is clear that at this time not all groups can be catered to.

What clearly can be considered to be good in this budget? The first point I think the Minister must be commended for, and I encourage him to continue along these lines, is the increase in capital spending. During the years of adjustment, the capital stock of the country deteriorated. The deterioration of the capital stock indicated that if we were to resume growth, we needed to invest more in this area so that the preconditions for economic activity could be established.

The \$1.7 billion allocated to the PSIP this year is certainly a step in the right direction, notwithstanding concerns about implementation, but it is something for which this Government should be credited. I would want to see in the future that the Minister strive for something like 20 per cent of all his expenses allocated to a capital programme. We should not have to allocate so much of our money to a capital programme at this time. After all the funds that had flowed we should have had a capital stock in this country whereby all people of my generation should be doing, is simply maintaining the stock. The road, for example, Mr. President, from San Fernando to Rio Claro and Rio Claro to Mayaro should have already been built. That highway should have been built 20 years ago. People of my generation must sacrifice in order for that particular capital project to be financed. The ferry service from Toco to Tobago should have been a reality a long time ago. Because the capital budget was sacrificed during the adjustment years, we find that now we must start patiently to rebuild that capital stock, if future generations and this generation are to experience an increase in the quality of life.

5.45 p.m.

A second very important point which I would stress and for which I credit the Minister is the fact that there is some conscious effort to minimize the intrusion of the state in the lives of the ordinary citizen. I am very happy that I do not have to line up with the hordes next week to pay motor vehicle licence. I am happy that I do not have to find a large sum of money at the beginning of the year when the finances are at its tightest in order to pay this licence fee. I am glad that I can pay this fee in driplets during the course of the year. Having done the calculations, I would be better off and I know many people would be as well.

That is not the important point. The more important point is the fact that the ordinary people do not have to waste a day of their productive time to pay this licence. For that, the economist must put a figure. We can use that day productively. We can either take it in leisure which would be an increase in welfare or do our jobs which would be an increase in national output. [*Desk thumping*] I am coming to the not so good measures. [*Laughter*]

Another good measure is the fact that the Minister has stated that he would overhaul the Board of Inland Revenue to ensure that the people who should pay their taxes duly comply. Too many of our people evade taxes. This puts a burden on the Treasury. In the 1996 Budget the Minister made mention of a tax court, but we did not get a status report in this budget as to the state of development of that particular court, and whether it would operate along the lines of the Industrial Court so that tax matters would be speedily resolved.

I suggest one measure which the Minister could introduce when he is reforming the tax return form, is to add a section in the form where the taxpayer can put a bank account number. Any refund due to that taxpayer can be credited immediately to his/her bank account by the Board of Inland Revenue. Therefore, we would forego losing cheques in the mail or having them tampered with. If the Minister can do that I think the ordinary people would be very happy. The Board of Inland Revenue would then have to mail a statement to the taxpayer stating the date and amount which was credited to the account as the refund. These are pedestrian, mundane matters which could improve the quality of life by eliminating anxiety.

Finally, I re-emphasize the point that the Minister must be credited for the fact that the old age pension has been increased. Before the budget was presented I wanted to increase the old age pension. Why did I strive so much to secure this measure? I wanted to secure this measure because to my mind, transferring to the old is one of the more effective means by which the state can transfer income to the needy. We know many pensioners use their money not only to fund their needs, but also to take care of the young, invariably, the children of single parents. An increase in the old age pension is one of the surest measures of targeting assistance to those who would use it for proper purposes.

Having given credit where it is due, I now turn to areas where I think the Minister would need to focus during the course of this particular year. Of course, if he can change some of these matters in this budget, I would be ecstatic. They are not for consideration and contemplation during the course of 1997. I am thinking

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

for the 1998 Budget. I focus some attention on a matter which is worrying most people in the society. It was raised by Sen. Prof. Ramchand and other Independent Senators. This is the area of the public debt. If we were to tally the debt, we would find that according to the documents, we are currently officially indebted by approximately TT \$18 billion, both foreign and domestic. If we were to look at page 5 of the *Draft Estimates of Revenue 1997*, we would see that the Minister would be borrowing an additional \$2.6 billion. I think he should have clarified the surplus of \$269 million. That is not really the surplus. When he is spending \$12.3 billion and collecting \$10.3 billion, he is running a deficit. How is that deficit to be financed? There are a number of options. It would be financed by grants which we know he is not getting; by the sale of assets which would be rather limited, and largely, by borrowing.

For 1997, borrowing would amount to over \$2.5 billion. Immediately, we know that the public debt would increase to \$20 billion. When we add the public servants' debt—which is not one that we carry on our books, but is a debt nonetheless—it can amount to TT \$40 billion. That is an astonishing debt, not because of its magnitude, but its servicing. It is estimated that for 1997, the Minister would be allocating about \$4 billion for debt servicing. If he is allocating \$4 billion for debt servicing and that percentage of revenue is rising over time, the greater the debt servicing ratio—that would be the amount of revenues in general allocated to debt—this implies that less revenues would be available to finance pressing social expenses.

I want the Minister to consider whether he has in mind, a target of the maximum amount of expenses which he would like to see allocated to debt servicing over time. Given that target, is it 20 per cent of revenues, or a global figure? Once we have that target, we would know if the measures which are being introduced in the budget are consistent with the target for debt reduction. The greater the debt, the less the amount of resources would be available to finance current needs.

This Minister is not responsible for this debt in the sense that he did not incur it, but he must do debt servicing. This debt was incurred 20 years ago. People of my generation have to do debt servicing either because our tax revenues are used for debt servicing, or the amount of public goods and services to which we are entitled are not guaranteed to us. We must contemplate whether the young generation would point to our generation in an accusing manner 20 years from now, as I point to the people of the 1970s in an accusing manner. What did they

do when the country was incurring all this debt? Let us be cognizant of this problem at this time. Let us take steps to recognize that a problem exists, and then implement measures to address this issue.

Another matter of concern to me is the library project to which the Minister made passing reference in the Public Sector Investment Programme. Reference was made *vis-a-vis* its recurrent cost implications. The Minister has to be commended for ensuring that the project would be redesigned so that the recurrent cost can be handled. Unfortunately, we did not get additional information on the recurrent cost implications of the entire Public Sector Investment Programme of \$1.7 billion.

5.55 p.m.

What is happening here is that our capital stock is expanding but in doing so, there is need to expend resources in the future so that they will be used to ensure that the capital stock is usable. For instance, when a school is built it is supposed to be equipped with teachers, or when a road is built, there is need to resurface it periodically. One needs to get an estimate at the same time, not only of the capital, but of the recurrent cost implications. There may be a beautiful expanded capital stock and since its maintenance was not budgeted for, it is found to be run down. Again, that is a matter I think the Minister will want to consider for his next budget.

On corporate tax, Sen. Marshall earlier today used the analogy of the bull frog in a pail of boiling water, I would be more gentle and use another analogy with respect to the corporate tax. I would like to use the analogy of the goose which lays the golden egg and we know that if there is a goose which lays a golden egg and it is existing on a farm, then the goose is part of a larger unit. When the goose lays this egg, the question one must ask is: How many of these eggs should belong to the goose, and how many to the farmer? It is an issue of the division of resources. To those who say that the goose laid the egg and, therefore, it should have it in its entirety, we should ask ourselves: If the eggs are left with the goose, what does the goose do with them? It can decide that it is going to hoard the eggs, look at them and see how pretty they are and increase its wealth, or it may decide that it is going to expend effort and sit on them and create more geese which would lay more golden eggs. Suppose the goose decides to hoard the eggs, then clearly, the farmer who is funding the operations of that enterprise could decide to obtain some of the eggs of the goose and use these golden eggs for the benefit of all the animals on that farm.

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

Mr. President, how much will the corporate tax be? When one looks at the *Review of the Economy* and the estimates provided by the Minister of Finance, one sees that despite the cut in corporate tax rate from 38 per cent to 35 per cent, the corporate revenue rose and it amounts to at least 28 per cent of central government's tax revenues which is a significant source of revenue.

The question one needs to ask is: How much more would these revenues have been if the Minister had not cut the corporate income tax? What one needs to calculate is an optimal rate of corporate tax. How is this tax calculated? Suppose some hypothetical calculations are taken and the corporate income tax is increased by one per cent from 35—36 per cent, how much would revenues to the state rise and how much would our business enterprise decline? Should the rate be increased by another one per cent, how will that affect business enterprise and the Minister's revenue? If it is increased back to 38 per cent, there are similar questions.

This is an exercise in marginal analysis, Mr. President. We are asking ourselves what would our benefit be as we incrementally increase the corporate income tax. Given that one of the responsibilities of the Minister is the distribution of income, I am suggesting that the Minister, during the course of 1997, in conjunction with the Minister of Planning and Development, try to obtain a grant from a well-meaning aid agency to finance a detailed technical study on what the corporate income tax should be in Trinidad and Tobago. I recommend that study should not be manned by accountants only—with the exception of Sen. Marshall, he is the only accountant whom I would trust to participate in that exercise—on what is the optimal rate of tax given his need to redistribute income, and at the same time, that the productive base of the economy remains intact.

The reason I am advocating for the use of economists in this exercise is that there is also a philosophical issue involved. When one looks at the corporate tax, one sees that corporations are taxed at 35 per cent and individuals are also taxed at 35 per cent. We are placing corporations on par with individuals and we are not recognizing that corporations acquire funds at a lower rate of interest than individuals; they have certain advantages that individuals do not have; they can experience increasing returns to scale; and they have greater earning power than individuals. If we were to tax the corporations at the same level of 35 per cent as the individuals, then we are in violation of a philosophy of tax called "vertical equity". What that means is that we are taxing two entities which are basically unequal economically, at an equal rate. I did not make that concept, Mr. President,

that was Knut Wicksell over a century ago, and few have been able to challenge his analysis on tax policy.

There is need to revisit this corporate tax, given the fact, as Sen. Prof. Ramchand mentioned this morning, that the corporate sector is populated by trading firms, financial firms, manufacturing firms and that a similar or identical rate of income tax for all these firms will not necessarily result in the benefit to this economy. Why do we cut the corporate tax? We do so to encourage business and for reinvestment. I fail to see how trading firms, and, to a larger extent financial firms will use the increase in their earnings as a result of a cut in their corporate tax to expand the capital stock of this country and to expand employment and increase output. For this reason, I strongly urge that we seriously, and in a more technical manner, revisit this issue.

Mr. President, those are some heavy economic matters, but just to demonstrate that I can bat as well as I can bowl, I will move on to some pedestal issues. I am batting at No. 10 and I want to score at least 12 or 15 runs while I am batting and I will return to some bowling. I am going to bat on the first issue of the deed of covenant.

6.05 p.m.

If the Minister has information that the deeds of covenant which are granted to individuals are abused, but he still wishes to provide some kind of financial assistance to the NGOs, will he consider the proposal that each registered charitable organization must issue an official receipt to a regular person who is making a regular contribution to the charitable organization? The NGOs, on receipt of these moneys, must account for them. They must be audited in the normal fashion. The taxpayer can then submit in his tax return the list of receipts that he has received from making contributions and obtain tax concessions as a consequence. If the Minister is willing to do that, then I think that the individuals will continue to provide their grants to these institutions and they need not suffer to the extent that people think they would.

Another run I would like to score is on the tax on used cars. Much is stated in the budget about the tax concessions granted on foreign used cars. I think the Minister has missed a golden opportunity here to use his fiscal powers to influence the economy along the lines I think he wants it to go. What really is public policy with respect to cars? It was always my impression that, given the natural gas endowment of our country, we wanted more and more of our automobiles on the

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

road to be using compressed natural gas, which has an environmental, as well as an economic impact. The environmental impact I am not at all qualified to comment on, but since Sen. Prof. Kenny approves, I think I am correct.

The economic impact of that measure is that the more automobiles we have which use compressed natural gas, immediately indicates that we use less petroleum products and a reduction in our consumption of petroleum products would imply that there would be more for exports. The kind of economy we have is one in which we can sell as much petroleum as we want without influencing market price, so the more we have to sell, the more foreign exchange earnings will accrue to this country.

I would have thought that the Minister in granting a tax concession, would have granted one based, not on the age of the vehicle, but rather on whether it was equipped at source with a compressed natural gas kit. That is the basis on which I would have given a concession. Indeed, I wish someone on the Government side would make a clear public policy statement on how many cars on the roads of Trinidad and Tobago we want using compressed natural gas. Given the year 2005, what percentage do we wish?

Sen. Ganga: Mr. President, I thank the Senator for giving way. The target for the Government is that by the year 2000, we will have 10 per cent of the vehicle population using CNG.

Sen. Dr. D. Mahabir: Mr. President, I am grateful for that clarification. Given that target, should not the Minister then, in this budget, have implemented measures to meet that target over the next four years?

Sen. Ganga: I do not know if the hon. Senator was listening to my contribution [*Interruption*] Oh, he was not here. Very coherent and detailed plans for the development of the CNG industry in Trinidad and Tobago were outlined. I can say that it may be introduced before the 1998 Budget is presented.

Sen. Dr. D. Mahabir: Once again, I am grateful to the hon. Minister for that clarification. Why should the Government wait for 1998? Environmental damage would be done for one whole year before they implement the measure. Implement it immediately! It is a simple measure to implement. All the used cars and, indeed, a fraction of the new cars that are imported should already be equipped with these kits to begin the measure almost immediately. I am batting here; I am not bowling you understand, so this is not a four, it is a good single deflection. I think, with the

emphasis placed on the used cars, the Minister could have used the opportunity to grant concessions not on older cars, but on environmentally friendly automobiles.

Let me bat again, Mr. President. I want to touch a bit on the issue of the pharmacies because we need to correct a misconception with respect to this notion of competition. Competition does not always result in an improvement in economic welfare. Competition can be ruinous and cut-throat.

The second misconception that has to be corrected is that enterprises in possession of monopolies of whatever sort necessarily earn monopoly profits. That is not Sen. Mahabir speaking; that was Edward Hastings Chamberlain, *The Theory of Monopolistic Competition*, 1933. Whenever I read that book on economics I always get so jealous, asking myself why I could not have written a treatise that was so powerful in its impact.

With respect to the pharmacy issue, is it public policy that pharmacists should be supported because they perform an important function in the delivery of health care? If that is public policy then should the concern not be that these pharmacists be allowed to earn at least a decent standard of living while they operate their businesses and attend to the needs of the community? If that, too, is a concern, then the only rationale I see for the introduction of the measure by the hon. Minister is that a survey has been done and the Minister has information which suggests that, of the approximately 200 pharmacies in the country, by far the majority are earning above normal profits and the above normal profits arise from the fact that they have some kind of monopoly concession on some products which they sell.

If the Minister has done that survey, I would like to see what percentage of the firms are earning above normal returns and what percentage are just getting by. If the Minister has not done the survey, then I think we need to consider, hypothetically then, that a large number of these businesses may just be getting by, and if this particular concession is removed, then they may have to go out of business. The independent pharmacist may have to find employment in the chains. We need to ask ourselves, if the chains are located in the highly populated areas, whether we are not ultimately doing a disservice to the people in the rural community who sometimes use the pharmacist to double up as a practitioner in times of need.

I think this issue of subjecting the pharmacist to competition is one which has to be seriously considered. Given the fact that a grocery store can sell frozen meat,

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

I do not think that a pharmacist can have a freezer at the same time, given the space limitations, selling the same kinds of products. We need to ask ourselves whether the pharmacists are really gouging the public, whether they are in competition among themselves and whether the majority of them are not simply getting by.

My final batting point—and I am keeping an eye on the clock—is with respect to the casino issue of which I have heard so much this morning. I will not repeat what my fellow Senators have said. I will simply question whether we are barking up the right tree with respect to economic development. When I look at the economic history of St. Lucia, Antigua, St. Kitts and Anguilla, countries which developed their tourism industry relatively quickly, I see that they were able so to do with significant foreign investment.

6.15 p.m.

What I see with respect to the tourism industry in Trinidad and Tobago, is that we are introducing all these incremental measures and we have been struggling with the industry for over 10 years. Other islands are moving apace, and we are, I think, introducing measures which, after all is said and done, may not result in an increase in visitor arrivals and a vibrant tourism industry.

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, in accordance with Standing Order 9(8), there is need for a procedural motion: I beg to move that the Senate continue in session until 9.00 p.m.

Question put and agreed to.

**APPROPRIATION BILL
(BUDGET)**

Sen. Dr. D. Mahabir: Thank you, Mr. President. *[Interruption]* Yes, I have the youth, vigour, energy and more bowling to come. *[Laughter]*

This issue of tourism is something that, I think, we need to look at in a serious way. We need to ask ourselves now, after 10 years of struggling to establish an industry as important as tourism, whether, in fact, we could do it ourselves or whether we need the benefit of having a large, well-known name in our midst, given the controls of course. We already have foreign investments, and we welcome them in the energy sector. Why are we not actively encouraging them in

tourism, plant and equipment which, after all, is international trade? Tourism is simply international trade and services and the foreigners, in many respects, are more adept than we are in knowing the market and selling our destination.

Mr. President, let me get back to bowling. On that issue, I want to focus on the interest rate and exchange rate. The Minister in his presentation, made mention of the use of open market operations in reducing the domestic rates and he said that measures would be introduced by the Central Bank. We therefore see that fiscal policy cannot be undertaken independent of monetary policy and that those who wish to separate the two would not be understanding the relationship between the fiscal and the monetary.

How would this introduction of open market operations result in a reduction in the interest rate? This was not spelt out. All I can do now is to speculate as to how the process might work. The Central Bank may reduce the reserve requirement ratio from 23 per cent to 15 per cent, and that would increase liquidity. An increase in liquidity would increase loanable funds and an increase in loanable funds would allow for a reduction in interest rates. Subsequent to that, the Central Bank may, if it wishes, expand the money supply, reduce the domestic interest rates and actually buy securities from commercial banks, either commercial securities or securities which the Central Bank sold prior. In buying securities, the Central Bank would simply exchange commercial paper, or some other financial instrument that it is holding, in exchange for what is called high-powered money, which the commercial bank can then lend and reduce the interest rates.

The process will work, but there is a concern. Underlying the reduction in interest rates would be an increase in the domestic money supply; underlying the increase in the domestic money supply is a reduction in interest rates, but underlying all that, Mr. President, is pressure on our exchange rates.

In our type of economy, as indeed, in most types of economy is a floating rate of exchange. Whenever the exchange rate is misbehaving, the one counter-attacking variable that may be used is the interest rate to ensure that the exchange rate can be stabilized. How will the interest rate do that? High interest rates will reduce the demand for foreign goods and services via a restriction of the domestic money supply, but high interest rates should theoretically, also encourage people to save more of their funds domestically.

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. Prof. J. Spence*]

Question put and agreed to.

Sen. Dr. D. Mahabir: Thank you, Mr. President, and fellow Senators. I assure this honourable Senate that I will stay strictly within my time limit.

There are a few issues that I want to cover in these last few overs. In the area of the exchange, if the Minister is saying in his budget presentation, that he is expecting lower interest rates as a consequence of open market operations, then without further elaboration, all I can read into that is that he will focus on the interest rate variable and he will not pay as much attention to the stabilization of the exchange rate. As long as the exchange rate needs to be stabilized; regardless of open market operations, of reserve requirement ratios, of the discount rates, of the paraphernalia of tools that a central bank has at its disposal, as long as an exchange rate needs to be defended, we expect high interest rates. I think this is something that the Minister needs to clarify.

What I am looking for is a position on the Government's views on the exchange rate, and I want to echo the sentiments of Sen. Rev. Teelucksingh this morning. I want a clear policy statement and I am not getting that from the Government. Is it that the exchange rate will be stabilized? Is it that the exchange rate will be managed? Will the exchange rate be allowed to float according to its own wiles and devices?

We need to remember at all times that our exchange rate is not only determined by our demand for goods and services, it is determined by our demand by our people, by our pension funds and by our investors to invest their savings in foreign instruments. This desire to save in foreign instruments puts a pressure on the exchange rate over and above our demand for Mercedes Benz and whatever we want to consume.

The Minister did not mention in the budget presentation whether he would negotiate with commercial banks to introduce new instruments in the country, which will provide citizens with a facility to invest in domestic currency assets. If he is focusing on reduced interest rates, then immediately there is an incentive to invest in foreign assets which may be paying a higher interest rate. If he is going to defend the rate then he needs a measure. I am recommending that the commercial banks and other deposit-taking institutions be now encouraged to offer, what I will call, the guaranteed investment certificate.

How will the guaranteed investment certificate work, or how will it enable us to defend the value of our currency against a speculative attack? These guaranteed investment certificates, offered by a commercial bank, can be for a one-year duration. If the exchange rate is currently TT \$6.00 for one US dollar; if the ordinary individual or the pension fund has funds to invest— suppose the person has \$6,000 to invest, he purchases a guaranteed investment certificate with a commercial bank for one year, the value of that certificate then is TT \$6,000 or \$1,000 on his certificate, the person has a value of TT \$6,000 or US \$1,000, at the end of the year when the certificate matures, the depositor, or the person who has purchased the certificate obtains his interest.

6.25 p.m.

Mr. President, what is the principal value one should obtain from the commercial bank? If the exchange rate depreciated from \$6.00 to \$6.25 at the end of the time the certificate has matured, then the purchaser of the certificate should obtain in principal repayment, not \$6,000, but \$6,250.00. So he has put in \$6,000, he earns his interest at the end of the year, but at the end of the year he also earns principal repayment of \$6,250.00. This means that the commercial bank is bearing the foreign exchange risk, and if such a certificate exists in this country one will find more and more people including pension funds, investing in these certificates because they are protected from foreign exchange risk.

Would the Minister consider dialogue with the deposit-taking institutions, so that any additional expense which they incur as a result of offering these certificates and as a result of the depreciation of the exchange rate, they can have part of their expenses written off as a consequence? If the Minister is willing to do that then the Minister would share in some of the risk; the commercial bank would share in some of the risk; and we the people would have a greater incentive to save our money in domestic asset; and we would defend our exchange rate and our interest rate.

On that point I want to raise an issue which is looming large, that is, an overall issue of confidence in banking. A bank thrives only on one thing and that is trust and confidence. It is a peculiar institution, it cannot be seen to be similarly placed to the producer of corn curls, where if it produces a product which no one wants and if it loses its business subsequent to that, would find that the producer and the shareholders would suffer the most because they would have lost their investment. A bank is a peculiar enterprise where, if a bank were to collapse it is not the shareholders who would suffer most, but the depositors.

Appropriation Bill
[SEN. DR. MAHABIR]

Friday, December 27, 1996

Given the need to ensure financial stability; given our own experience in this country with the crisis we faced with the trust companies in the 1980s, I recommend to the Minister that the board of directors of a bank could be comprised along the following lines—I am not dealing with the ownership issue here. I am dealing with protecting the trust of the public. Would the Minister consider legislation, where any deposit-taking institution particularly banks, would be required to have a director whom he appoints; a director who is appointed by the Governor of the Central Bank; a director who is appointed by the President of this country; and a director who is appointed by the Leader of the Opposition? I think if a bank has nine directors and we can have legislation where four of these directors, independent, impartial, technically competent people are sitting on the board of a financial institution, we would go a long way towards defending the integrity of our financial economy. This is for consideration by the Minister.

I want to raise a final bowling attack with respect to housing. This morning, I have heard with some delight, the report of Sen. Carol Cuffy-Dowlath on the plans for housing. The Government is to be lauded, of course, for its efforts in the area of low-income housing. What of middle-class housing? Should not the Government place some effort on enabling the middle-income earners to also own their homes? I had presented—and I do not have the time now to go into that particular proposal—a homeownership savings plan, where individuals would contribute as soon as they begin work for about 10 years, and having accumulated a pool of savings they would use that as a downpayment on their homes and the contributions to that plan would be obtained as a tax concession.

I understand the Minister's desire to reduce the plethora of exemptions in the tax return. Therefore, I would like the Minister to consider as a break now to the middle-income earners, given that the mortgage interest allowance is reduced, whether contributions to tax incentive savings plans, annuities can be used for two purposes: either after a period of contributions the funds in that plan can be drawn down to acquire a piece of real estate and subsequent to that, the funds can be used for retirement. If that is the case, I envision the situation where a woman is contributing for 10 years into a tax incentive savings plan, obtaining a tax relief; after 10 years she knows how much she has in that plan; she can put together with a partner a certain amount on a home—and by the end of 10 years one would find that the downpayment on that home would be considerable and the mortgage interest allowance would be less. If that is the case we would know how much the woman has put in. There can be no question on that. The woman after 10 years

would say, "I have put in \$100,000 in this home and there is no legal question as to ownership." If the Minister is willing to make the annuities or the tax incentives savings plan dual purpose to finance a home or, for retirement, I think many people in this society would be happy. When I raised this proposal in a public forum and at the Economics Association meeting it met with unanimous approval, and I think any government which implements it would score valuable political points.

I only have a few more minutes and I would confine myself toward closing at this time. I commend the Minister for the budget which he has presented. In all budgets there would be concerns because our wants are so great and our capacity to satisfy these wants is so limited. There would always be concern as to what could have been done. By and large, I commend the Minister for the budget which he has presented. I have told people that it is the best budget I have heard for a long time—I give it the adjective "best" because of prudent economic management which started from 1986, continued with the former Minister of Finance, Mr. Wendell Mottley and is now continuing with the present Minister. So there was prudent economic management from the debacle of 1985/1986, and the Minister has continued in the right direction. I encourage him to do what he has done right and to continue.

Mr. President, I say that it is possible at this time in our economic history, to improve the material well-being of the population. That would never be easy, given the shortage of resources, prudence and initiatives on the part of this and subsequent Ministers of Finance. It would require thrift, sacrifice, effort and struggle all the time on the part of the people. Despite the fact that there would be struggle and there would have to be effort expended, we know that there would be an improvement in welfare. The fact that we have to always expend effort to improve the material well-being of the population, should not be a matter of great concern for, Mr. President, hollow is the victory which is achieved without battle.

Thank you very much, Mr. President.

6.35 p.m.

Sen. Philip Hamel-Smith: Mr. President, I start by echoing the sentiments of the previous Senator to congratulate our Minister of Finance on a very well-thought-out, articulated budget. I join in the debate principally to elaborate on two specific issues which were dealt with by the Minister of Finance and Minister of Tourism, which have attracted very little attention so far in the debate. I do not know if the former Senator would classify them as pedestrian issues. They are

Appropriation Bill
[SEN. HAMEL-SMITH]

Friday, December 27, 1996

certainly not heavy economic matters, but, nevertheless, I think they need to be elaborated on somewhat.

The first one, Mr. President, is the introduction of group relief to the corporation taxation system, and the second one is the use of the venture capital mechanism as a vehicle designed to promote personal savings and to look at the tax attractiveness of this particular vehicle to which, as I mentioned, little importance has been attached.

Before doing so, I think it is incumbent on me to direct this Senate's attention to a few distortions that we have been served up, particularly from the Benches of the Opposition Senators. I think it is important that we have the records cleared and made straight.

If we go back to our sitting on Friday last, you would recall having heard Sen. Montano describe the Minister's budget statement as misleading, and I quote: "misleading virtually to the point of being dishonest." He went on, in my view to use a very misleading and dishonest approach to his contribution.

Sen. Montano emphatically and unreservedly, and I think, in my view, somewhat recklessly, made the statement, and I quote him here: "People are going to pay more taxes." These are the words he used, and he went on: "Any person earning over \$3,000 per month is likely to pay more taxes.

Mr. President, any elementary school student can read the budgetary measures dealing with personal taxation, and conclude that these statements are not true. In fact, all the reputable tax accounting firms that have written these various commentaries on the budget have demonstrated quite clearly, in very simple terms, that individuals with income in excess of twice this sum of \$3,000 a month would, in 1997, have more disposable incomes in their pay packets. Clearly, this contribution by the Senator is best described in the Senator's own words as "misleading and dishonest."

Considering this issue however, this invited me to look a little more and analyze a little deeper, the tax implications. My main effort is to present a comparison of the personal tax regime as now will apply in 1997, as opposed to the 1996 position. Particularly, I think we need to focus—and it was mentioned earlier on by one of the Senators on the other side—on the situation where both husband and wife are taxpayers, working persons, contributing to the maintenance of the family.

I would like to put on record that I admire the role of the true housewife; the person who is not only a housewife, but a very important homemaker. Unfortunately, Mr. President, this situation is not a common one and the reality is that either out of necessity, or out of choice, both spouses these days are working people. Both of them are taxpayers, so that when in fact, we analyze this personal tax regime, I think it is reasonable to take as a more common position, the position where we have two taxpayers in the home and, therefore, the tax provisions that have been outlined by the hon. Minister are analyzed from that point of view.

The budget provisions as they relate to tax on individual income are set out in a statement to the Senate here on page 13. I want to take the liberty to just read them in summary:

“With effect from 1st January, 1997, in ascertaining the chargeable income of a resident individual, there shall be allowed to that individual:

- (a) A basic allowance in the sum of \$20,000;
- (b) A deduction not exceeding a total sum of \$18,000.”

It then goes on to set out, I think, five various heads which can be individually or collectively used in claiming that \$18,000 deduction. Simply put, Mr. President, this means that each taxpayer, husband and wife, in the example I am using, is entitled to this basic allowance of \$20,000 and a deduction of \$18,000.

Let us back up a little bit to 1996 and compare what was happening there. There we had an individual that had a personal tax credit of \$600. We now have a situation where this tax credit would equate to the personal allowance of \$12,000. So, in the 1996 situation, a \$600 tax credit translated into a \$12,000 allowance. One would, in fact, have to be claiming for a wife, which in the case of 1996 was another \$600, and six children at \$100 each, to equate to the personal allowance now being granted by the Minister of \$20,000.

When we do a fair comparison between 1996 and 1997, we would see that the Minister has, in fact, taken a stab at arriving at that personal allowance of a situation where there is a taxpayer with a wife and six children, equating to his \$20,000 allowance. Mr. President, in my view, this establishes, quite clearly, that the new personal allowance that has been introduced in the 1997 Budget is not only a reasonable one, but from any point of view, a generous one.

We can then reflect on the other issue that he mentions, and that is the \$18,000 deduction. This, in fact, replaces five identified heads which principally cover the

Appropriation Bill
[SEN. HAMEL-SMITH]

Friday, December 27, 1996

mortgage interest area that we have heard so much about, and the area that spans pension and deferred annuity contributions. We further heard the hon. Minister say to this Senate that the BIR's records reveal that the average claim for mortgage interest is around \$8,000.

He is telling us that the Board of Inland Revenue has statistics to show that the average claim being made prior to today under the head, Mortgage Interest, is around \$8,000; furthermore, that the average annuity allowance that appears to have been claimed over the past is in the vicinity of \$3,000. Notwithstanding this, Mr. President, we now have a situation where, in the case of these two working spouses that I spoke about, the total deductions, jointly, amount to \$36,000. This is over and above the allowance.

The total deductions being provided by the hon. Minister of Finance and Minister of Tourism for 1997 and beyond jointly amount to \$36,000. This sum can be utilized in any combination of identified areas that he has set out there for us. As an example, we can have a family who is exposed to a mortgage interest payment of about \$30,000 a year. We now have an entitlement to a full deduction. In a family who previously in 1996 would have been limited to deduct \$20,000 as a mortgage interest allowance, we can conceive of a situation that is not uncommon where, if they are exposed to a \$30,000 mortgage interest bill, they can, in the 1997 scenario, in fact, claim their full \$30,000.

How can this be done? By very simply one spouse using his entire \$18,000 deduction allowance with about \$12,000 from the other spouse's entitlement, still leaving, Mr. President, an additional \$6,000 by that spouse to be used as they see fit from any of the many other items that have been detailed in the budget statement, for instance, a \$6,000 contribution towards a pension plan and to a deferred annuity.

In my view, the provisions that the hon. Minister of Finance and Minister of Tourism has set out for personal taxation have been very generous and are very forward looking. With this double claiming situation, one does not have to be a mathematical genius, nor even a tax accountant, like our friend, Sen. Montano, to see that \$76,000 is now available to the average family before taxes are levied against a joint income.

6.45 p.m.

If some of these tax accounting firms in fact, expand the exercise that they have done to accommodate an exercise where there are two breadwinners in the

family, they would see where the threshold falls, certainly not down in the region that we heard, which was that at \$3,000 everyone would be paying more tax.

I have demonstrated that \$76,000 in that common scenario, in fact, is a comfort zone where tax is not being levied against the joint incomes. It is simply not true that the benefit of pension contributions or deferred annuity contributions have been totally eroded. That, certainly, is an error and must be erased from the records. There remains, in most cases—and I say there are exceptions, but we have to look at the common ground; we cannot analyze every case—a significant dollar value, especially in the case, of course, that I outlined, where a sizeable sum of money is left there to be channelled towards personal savings and investment which has come under heavy fire, not only in the House here, but also as we saw in the last few days, in the media.

Sen. Montano's statement on the inability of a young married couple to acquire a house is also totally inaccurate. Under the new tax regime, a young couple is helped in the acquisition of a modest home by the new allowance provisions, and is not, as the Senator puts it—to quote him: “placed in a position of either buying a house or saving.” That, again, is untrue. In fact, under the new dispensation, they can do both.

Sen. Montano went on to describe the hon. Minister's increase in excess of 20 per cent in the provision of old age pension as crumbs to a starving lion; more evidence of the absolute recklessness, in my view, with which the hon. Senator has contributed to this debate. These crumbs as he describes them, have a cost to us, taxpayers, of over \$50 million in 1997. I suggest that this is a little more than crumbs to a most needy cause, the old age pensioners.

This Senator was ably assisted with these persistent inaccuracies by, what we can now call, our “slippery-slope” Senator—Sen. Mannette—who, unfortunately, is not here with us today. It is really amazing how one could find a way to describe positive measures in a budget statement like we have before us, in such negative terms. I suggest that the expression which she has coined, “slippery slope”, could best describe the fate of the Opposition party over the last few years. *[Laughter]*

Let us spend a few minutes looking at the Minister's decision to move the collection of taxes from the motor vehicle licence regime to the fuel pump. We have heard much discussion on it and I would like to demonstrate, like some other Senators have done a few minutes ago, that, in fact, that does not create any additional burden in any way upon the average person. The attempt, as the

Appropriation Bill
[SEN. HAMEL-SMITH]

Friday, December 27, 1996

Minister told us in his budget statement, has, in fact, been to have a neutral bottom line. The principle, however, of moving the tax system from the licensing office to the pump has an underlying principle, that the more one uses the road, the greater share of the cost one should have of the upkeep of that road. I would be the first to admit that if, in fact, we produce a situation where someone does use the road in a very excessive way, he will, in fact, pay more than a person who does the opposite, and that is, has minimal use of the road. But I would surmise that that is equity.

Mr. President, the extreme statement that the country could expect a general overall increase in transport cost, both private and commercial vehicles, is totally unfounded. Let us look, for instance, at the case of the trucking population. We have heard in the other place that, in fact, the trucking population would be severely hampered and the cost would trickle down and cause an increase in the cost of foodstuff and everything else. This trucking population, in fact, has the benefit of substantially being on diesel fuel and the merits or demerits we can argue, but the reality is that they are on diesel fuel. This clearly gives rise to significant savings, even in the worse case that I have examined.

If we use a former annual licence fee of approximately \$2,500 which would be the average large truck that is on our roads, and an average consumption of, say, \$120 per day in diesel fuel, which translates into approximately 100 litres, at the increased operating cost of three cents per litre, this will amount to three cents a day extra cost. When you expand that out to one year's operations, we will see a truck on the road operating at these levels I have outlined here, costing an additional \$1,000 per year, a saving in the vicinity of \$1,500.

These figures I have used are figures that are well within the margins of use of the average truck on the road. We are talking about 100 litres of diesel fuel a day.

Sen. Mohammed: Mr. President, on a point of clarification. I heard the hon. Senator mention that if a truck is using \$120 in diesel per day, with the increase in diesel prices it is now going to increase to three cents a day and, therefore, you multiply three by \$120?

Sen. P. Hamel-Smith: Mr. President, let me just repeat, because I might have garbled the information. The case I am referring to is at \$2,500 licence fee, a consumption of \$120 in diesel fuel which translates into 100 litres of diesel fuel at three cents a litre, which is what the hon. Minister's statement says, provides \$3 a day.

Appropriation Bill
[SEN. HAMEL-SMITH]

Friday, December 27, 1996

In the case of private vehicles, I have calculated that gasoline has effectively been increased by approximately 5 per cent. On this score, I am pleased to find agreement with Sen. Montano, that the threshold is in the vicinity of about 400 km per week or about 80 km per work day. I cannot agree, however, that beyond this level, as he says, and I quote him: “the user will pay significantly more for gasoline.” The truth is that for every extra \$100 spent by the private car owner on gasoline, he would pay \$5 more.

One academic, writing to the Editor of the *Daily Express* of December 24, calculated that a 12-seater maxi-taxi, on a five-mile journey, would incur an increased gasoline cost of 10 cents which translates into less than one cent per passenger for each maxi-taxi ride. He concludes and I quote him: “Such simple mathematics would be well within our grasp.” Little does he know. *[Laughter]*

Sen. Dr. St. Cyr: Mr. President, if the private vehicle owner is better off and the trucker is better off, but the revenue is the same, who is bearing it? It seems to me that the taxi user must bear it.

Sen. P. Hamel-Smith: Mr. President, I had prefixed my remarks by saying that I have necessarily to deal with the average and, therefore, the person who is using the road excessively, is, in fact, paying more. That is a concession. The principle that I have understood that has been enunciated in the budget statement takes that into account; that the person who uses the roads more than above the average will be expected to pay more for the use of the roads. That is where the neutralizing of the whole provision takes place.

6.55 p.m.

Mr. President, I would now say a few words on the two issues that I got on my feet to talk about; First of all, group relief. For many years the business community has been clamouring for this group relief, and this clamour and this resounding call for it has for long fallen on deaf ears. The *Budget Statement 1997* has made a radical change by recognizing the principle of group relief, and introducing it for the first time into our Corporation Tax Act.

Group relief, Mr. President, recognizes the principle, that business organizations under common ownership, often are organized as several subsidiary companies, for purely administrative and sometimes reporting reasons. If all these operating subsidiaries have been organized as divisions within a single company, the company would be taxed, not on its net profits, but after consideration of all the profits and losses from different operations. If, however, the operations do

Appropriation Bill
[SEN. HAMEL-SMITH]

Friday, December 27, 1996

organize as separate entities, each company is taxed separately. This means that if one company in the group makes a loss, that is carried forward, but if another company makes a profit, that is taxed.

The group, on producing its consolidated accounts, can find that it effectively pays a higher rate than the statutory rate, even though it is a group under common ownership. There has been total inequity over these last few years. The introduction of group relief therefore, recognizes the equity of allowing a single corporate owner to be taxed on his net profits as a whole, rather than separately on the constituent parts of that group.

Mr. President, the mechanism for the group relief allows a subsidiary or parent to surrender tax losses to a fellow subsidiary or parent company, where both have common ownership of 100 per cent. Instead of being carried forward to losses, these losses can be surrendered and utilized in full by another member of the same group. Regardless of whether the measure has a significant impact on corporate tax, which I expect not to happen, this is a positive step in the right direction, for which the Minister ought to be commended. It brings us up to date, and makes the corporate tax regime a lot more equitable.

My final area to touch on, Mr. President, will be, just to look for a few minutes, at the venture capital incentive programme which was formally launched on November 30 last, by the hon. Prime Minister. This programme's overall goal, is to stimulate long-term equity financing by investors into small and medium-sized businesses. The venture capital incentive programme provides the opportunity for substantial tax breaks to investors, and we have heard a lot during this debate about the lack of savings facilities, lack of incentives to invest and save, and I think although this is not an ideal savings mechanism for everybody, it is a savings mechanism that people need to focus on and make more use of.

This programme provides the opportunity for substantial tax breaks, Mr. President, both to individuals and corporations. In return for investment in a venture capital company, investors receive a 35 per cent tax credit of the amount invested. This is something that you do not scoff at. This tax credit can immediately apply to offset any taxes due in that year. In addition, any unused tax credits can be carried forward indefinitely until fully utilized.

Mr. President, one needs to look clearly at this venture capital incentive programme and see in it a real possibility for investment and savings. There are a number of noteworthy items with a tax credit mechanism, and the role that venture

capital is expected to play in developing the small and medium sized sectors in the economy. This is the first instance in the history of Trinidad's tax code that tax credits can be carried forward by both corporations and individuals. These tax credits represent actual tax savings, which in turn could be reinvested by the investor.

Let us get an example. An investment of \$1 million in a venture capital company would immediately yield a \$350,000.00 tax credit. If this is reinvested in a relatively safe money market investment, the investor would have not only saved substantial taxes, but increased savings and further diversified his or her investment portfolio.

In light of this 1997 Budget measure, the venture capital incentive programme has emerged as a most powerful mechanism for tax breaks and subsequent savings. With a reduction, and the removal of many tax deductions and credits, the Government has indicated a strong belief in the tax credit mechanism of the venture capital investment programme, to redirect investment into the productive sectors, both small and medium-sized, where employment creation, economic diversification, and long-term savings could be achieved.

With these few words, Mr. President, I commend the Minister's budgetary measures to this Senate. I thank you.

Sen. Penelope Beckles: Mr. President, I rise to make my contribution on this debate. Starting off where the last speaker spoke, I want to read a passage from the Minister's budget presentation on page 24. I want to make a correction from one of my colleagues who had said that 25 per cent of the motoring public do not pay the annual licence fee. Mr. President, the Minister indicated that the revenue lost from discontinuing this licence payment would be that of \$50 million, and he indicated that the measure with respect to the increase in gas prices, is expected to raise only \$44 million in revenue. I have read this over and over, and if he has said that he is losing \$50 million, and he is now going to raise \$44 million, that means \$6 million will be the moneys lost as a result of implementing this new measure, that is to say, if what the Minister said in his budget statement and his analysis is correct.

Mr. President, it is one thing to go and state categorically to the nation that this new measure will actually be cheaper than that of the licence fee, and then for one of the speakers on the Government side to get up and say, well, if you use the road excessively, it will cost you more.

7.05 p.m.

Mr. President, I really do not think that is what the public of Trinidad and Tobago want to hear. Obviously, when the travelling public, and other members, continue to criticize to show how this so-called measure would actually cost them more, then the Government would say, "Well if you use the road more, it will cost you more". I asked the last Senator who spoke, and the Minister of Finance, why it is that the Maxi-taxi Association is saying that come 1997 when this measure is implemented fares would go up? It can only remind one of several measures during 1996 when they said that food prices and so many different things would not go up and, lo and behold, when one looks at the *Review of the Economy* for the period 1996 one sees that there have been several increases, not just in food prices but several other items.

Mr. President, if I might just quote from the *Review of the Economy* on page 20, "Prices":

"Providing the major impetus to the general price increase were Food prices which increased by 10.1 percent, induced mainly by the higher prices of flour, rice, dairy products, chicken and seasonal food crops. Relatedly, prices in the Meals Out category grew by 6.1 percent. In both cases, the price increases were influenced by the higher prices of imported foods...or inputs, reflecting the...removal of subsidies to farmers in keeping with the decision reached at the last Uruguay Round of the World Trade Organization (WTO)."

Mr. President, other increases were:

"Housing (2.3 percent), Reading, Recreation and Education (2.2 percent), Health and Personal care (2.1 percent), Transportation (0.7 percent), Household Supplies (0.6 percent) and Drink and Tobacco (0.5 percent)."

Mr. President, you would recall that we were given the assurance that the prices of several of these items would not increase but we are now given the information that they did increase. What is the population really to think when this Government says that there is really no increase in the price of gas? The Supermarket Owners' Association on several occasions—even recently in relation to the increase in the price of drugs—gave the assurance, as they did some time ago, that there will be no increase in terms of food prices. There is a big link with this whole issue of credibility and non-prescription drugs being sold in supermarkets.

If I might just quote from the *Daily Express* of Thursday, December 19, 1996 headlined "Grocers promised cheaper drugs":

"Supermarkets Association president, Balliram Maharaj yesterday strongly criticised the charge that supermarkets owners—if allowed to sell over the counter drugs—would endanger the lives of the public.

Maharaj said pharmacists were merely hiding behind 'technical points' and he claimed the nation's supermarkets would sell over the counter drugs (OTC) at prices 15 per cent lower than pharmacies."

One is looking at reduced prices for over-the-counter drugs by at least 15 per cent. Very often the impression one gets from the message the Government keeps selling to the public is that, "Yes, go with this because it will be cheaper", but at what expense? One has to ask oneself: How are supermarkets going to be able to sell non-prescription drugs 15 per cent cheaper than that of the pharmacies?

Mr. President, we are quite aware that many of the pharmacies sell additional items other than drugs. Therefore, there may very well be some merit in considering this whole issue, but is the argument to do with the cheaper price of drugs? Let us face facts. We have a continuous situation where one gets the impression that certain persons give certain ideas and all of a sudden one sees these measures either coming in the budget or through some other legislation. Sometimes one wonders who is really running the Government.

Mr. President, after we see this headline on the front page of the *Daily Express* what do we expect the society to say? If one can go into the grocery and pay 15 per cent less for phensic, cafenol or what have you, obviously the society would run with that, but what happens after the measure has been implemented? When we are doing a subsequent review of the economy in 1997 I am sure that we would be reading that several of these said items that they said would decrease would show a reflection of an increase.

Mr. President, in the budget presentation the Minister also spoke about the whole issue of the public utilities. At page 9 of the budget speech he indicated that:

"With respect to the public utilities sector, the Water and Sewerage Authority and the Trinidad and Tobago Electricity Commission will be required to focus on providing a reliable and high quality service to the population while at the same time maintaining financial viability."

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

One would recall that there was this big propaganda, as usual, where the Government was telling people all over the country about T&TEC not disconnecting persons who have been owing the Trinidad and Tobago Electricity Commission for years. They were telling old age pensioners and other persons that some special method would be introduced for them to pay some special rate. I would like the Minister in his winding up to indicate more about that.

Mr. President, if we look at metered supplies, there was a shortfall of \$2.3 million; unmetered supply, a shortfall of \$24 million; bulk sales to Fedchem, a shortfall of \$6.5 million; reconnection charges, a shortfall of \$1.1 million and the only increase was with royalties, \$4.5 million—that was the same issue of the water wells that they made a big fuss about; sewerage rates, a shortfall of \$837,000 and another item that they do not identify, miscellaneous, a shortfall of \$10.3 million.

Mr. President, the Minister has now decided that it is necessary to adopt the position that we on this side were trying to do, and that is to say, not only to provide service, but to ensure that there is some sort of viability. I am sure that the public of Trinidad and Tobago would be looking very eagerly to see what sort of measures would be implemented in relation to this said public utility that they were literally promising to almost give away lock, stock and barrel.

Mr. President, before I get into other areas of my contribution, I want to really express my shock at the analogy given by the Right Most Reverend Gray-Burke in relation to justifying casinos. She used an example from the Bible which talks about drawing lots. By some stretch of the imagination I really do not understand how she could have used that example to justify casinos. I was so glad when Independent Sen. Dr. McKenzie spoke of that consultation that was held in Tobago, because a few weeks ago when we debated the Tobago House of Assembly Bill and we spoke of the issue of consultation this Government, as usual, always eager to jump and say that they have consulted, indicated that it gave the THA more powers to be able to do this and to do that. Here it is again that the Government has not even consulted either the old or the new members in relation to this casino issue.

Very often we forget that story two years ago about the great Simona Fricker. The question we have to ask ourselves very often is: What kind of tourist do we really want to attract to Trinidad and Tobago? Very often we do not see the link between gambling, crime, tourism and AIDS. I hope that we do not

look or refuse and ignore to look at this whole situation of AIDS as it relates to Trinidad and Tobago. The link very often is in terms of this whole issue of tourism because we think very often of the great dollar and not of the effects that some of these things that are revenue earners have on our society. When we are ready to think about it very often it is going to be too late.

So many people have spoken on the whole issue of the casinos and one would find that it is only in the minority that people are in agreement with the casinos. Yes, they want to say that the PNM started the Lotto and Play Whe, but casino gambling and Lotto and Play Whe are totally different things. Those who have never travelled to Las Vegas or have never been to the Boardwalk—*[Interruption]* The Minister says he does not gamble but I do not know what to believe when he says so because this budget is a gambler's budget. It is a big gamble.

7.15 p.m.

Mr. President, last year he took a gamble and it paid off—\$525 million—thanks to the Minister of Energy. It is almost as though the Minister of Energy was able to see a few months ahead and realized that the price of oil would have increased. It is only because of that, this Government was saved. I do not know if they will be that lucky a second time around, because if the price of oil does not increase, and with Iraq coming back on the market, anything could happen. He said that he does not gamble, but I really wonder.

Mr. President, some of us do not think that there is a link between gambling, crime, casinos, AIDS, and so many other things. One of the things that this Government promised is a crime-free Trinidad and Tobago; that there would be a reduction in crime, and I looked at today's newspapers and saw three murders in three days. I know that the Minister of National Security, when he gives us his figures, is going to tell us how excellent his ministry performed, and by extension, himself, as all the other Ministers have been giving us reports on their performances for 1996. As usual, Mr. President, they are making a very hopeless attempt at continuing to convince the population how excellent they are performing, but if one read Rev. Paul in yesterday's *Trinidad Guardian*, one would see the extent of his concern for what is happening in the society.

The Minister of Culture in her presentation, probably spoke a couple lines on the issue of domestic violence, and just recently we had a situation where it was reported that a domestic violence dispute broke out because a wife was concerned that her husband did not buy sufficient groceries—and we wonder. I

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

would not get into the style of politics of saying who caused this, and who does not cause that, because the point we have to recognize is that crime is not a product of politics, nor of this or the former government. It is something that we have to address collectively, and when we stop saying that the PNM or the UNC caused it, we will collectively address the issue of crime. When everyone on the Government side gets up and says that they have been in government only a year and, therefore, have not been able to do this or that, I expect the Minister to say in one year he was not able to achieve much. If I can just give the figures in relation to crime, to date:

Crime	1995	1996
Murder	104	97
Break-in	5,517	5,779
Robberies	3,323	3,492
Larceny	2,364	2,805
Dangerous Drugs	915	1,007

Sen. Mark: What is your source?

Sen. P. Beckles: Police department. I am sure the Minister would also give his figures and of course, I am expecting that his figures will indicate that all the crimes went down. One could recall that earlier in the year, the Attorney General boasted that the number of crimes was declining, and the police department said that they wondered where he got his figure. So I am expecting them to give different figures to show how well they have performed. If I might also just indicate, in terms of performance, to date, woundings, 38, 16 detected; of the 604 break-ins, only 51 detected, of the 320 robberies, only 50 were detected. I do not need to say anything on the number of Cherokee jeeps, and the extent to which they have assisted in detecting those crimes.

Mr. President, I looked at the Minister's *Budget Statement 1997*, and I paid particular attention, in relation to law and order. If I might just quote from his presentation, he stated that he would continue to give the Police all assistance, in relation to all the necessary vehicles and equipment to fight crime. I heard on the news quite recently, that this weekend he would be signing the contract to start the transport of prisoners by way of contract, and that is to be commended, if only

because it has been a long outstanding situation. I do not know if he is aware that—I am sure that he would be—it continues to be a great source of concern, the extent to which the families have to pay persons who transport prisoners to several stations and courts, to ensure that their respective families are actually brought to court. I am sure that we would be quite happy to see that situation sorted out. I commend the Minister for that. I do hope that situation will not be one of those that will be restricted to most of what we consider to be the bigger courts, that is to say, Port of Spain, San Fernando and some along the East-West Corridor.

7.25 p.m.

The persons who suffer the most are very often those in custody from some of the country districts such as Siparia, Mayaro, very often Sangre Grande, Moruga, Point Fortin, and occasionally, Blanchisseuse with sometimes five or six months passing and some of the prisoners never being transported to the courts. I wait very anxiously to hear from the Minister on that issue, maybe, at some stage down in the year when he is giving an update in terms of the performance of that particular contract.

The Minister of Works and Transport indicated that the maximum security prison is almost 95 per cent complete. When the Minister of National Security spoke last year he did indicate that it should have actually been opened sometime towards the end of 1996. The Minister of Works and Transport did not say when in 1997, but he said that it would be opened in 1997. I am hoping we would also be able to get from them some sort of indication in terms of when the prison would be opened.

On page 16 of the Minister's budget speech he highlighted the successful conclusion of several infamous trials. He also spoke about the several pieces of legislation that have come into effect for 1996.

In the Minister's *Budget Statement 1997* I have not seen mention of anything in relation to that of the defence force. Whilst we are seeing virtually almost every day that the police service is getting an increase in vehicles—in many instances the whole issue in terms of their payments and overtime has been sorted out—we have not been hearing any similar situations in relation to the defence force. I would like the Minister in replying to also indicate, in terms of 1996, what sort of improvements have been done in relation to that.

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

Mr. President, the Minister did say in the amendment to the Appropriation Bill in relation to his contribution that his ministry, as a result of prudent management, had available almost \$8 million that he was able to transfer to the Ministry of Works and Transport. I would also like the Minister in his contribution to indicate to us whether or not he is satisfied that there is proper maritime surveillance in Tobago. I would also like him to indicate what, if any procedures, have been put in place in relation to the coast guard vessels that are not operational at Chaguaramas. It was an issue which was raised earlier and it was indicated that some sort of contract was to be given to some local company to fix those vessels. We are quite aware, that in relation to drug trafficking and maritime surveillance, very often the coast guard is handicapped because of the type of speed boats that are used by some of these persons whereas, our technology is not very often as advanced.

We saw recently in a daily newspaper where the police found a factory manufacturing guns in Moruga. I saw a picture of one of the “silencers” that are being produced in Trinidad and Tobago. It tells us the extent to which some of our criminals are extremely advanced. Therefore, I say that one needs, before one beats one’s chest and says how well one is performing in that area of crime, to really understand the extent to which the problem has become an extremely complicated one.

Last year the Minister of Works and Transport had also indicated that the Arima Complex would have actually started in late 1996. In his contribution this year he said that those projects will now begin towards the end of 1997. I cannot say whether or not the plans were actually completed under the last administration and whether those plans have been reviewed. I know he said so in relation to the library complex, and I am sure that the majority of Trinidad and Tobago is extremely happy for the fact that they have now seen the wisdom in continuing that library project. I would be grateful if he would indicate the extent to which, if at all, those plans which were originally drawn by the last administration as he indicated in relation to the National Library Complex, and the Arima Judiciary Complex are different.

In his contribution the Minister of Works and Transport indicated that in relation to the Red House—and I looked at the figure allocated in the Development Programme Expenditure Estimates of 1997, \$1 million. In the Minister’s contribution of October 4, 1996 he stated, and I quote from *Hansard*:

“The Red House Restoration. Preferred consultants for design work were selected prior to November 1995 for infrastructure problems at the Red House, which are affecting users, including Parliament. The Ministry of Works and Transport is looking at options for proceeding with the implementation of this project. In fact, the original programme for construction is due to begin in the first quarter of 1997 at an estimated cost of \$30 million.”

I do not know if I am not reading properly, but I see that the Minister has an estimate for \$1 million. I note with great interest that insofar as the Whitehall restoration for the Minister Extraordinaire and Minister of Tobago Affairs, the said \$1 million was also allocated for that building. I looked at the several clippings, one including a picture of the Minister of Finance and Minister of Tourism and that of Minister Baksh of Friday, November 22, 1996 in the *Trinidad Guardian*. It is said there: “No problem in relation to fixing the Red House”. I see another article: “A facelift for the *Guardian*” Again it speaks about the \$30 million that was expended. In a copy of an advertisement in the *Daily Express*: “Request for proposals. Renovation and Restoration works at the Red House” In this article it says exactly what would be the criteria. That article is dated September, 1996. I was quite taken aback at this allocation of \$1 million, especially having regard to what was stated by the Minister before. That is why so very often one really does not know what to believe when this Government talks.

Listening to Sen. Rev. Gray-Burke’s contribution—and I could not help looking at the *Trinidad Guardian* dated December 27, 1996 on page 3 and I was actually following her contribution word for word. It is interesting that some of the population of Trinidad and Tobago would have been able to read the large majority of her contribution before she actually even said it in the Senate. There I was, thinking that it was a very unique contribution that she had made—I showed it to my colleagues and we were able to follow it word for word.

7.35 p.m.

Mr. President, I just want to get into what I consider to be two very important areas. Certainly for my one year in the Senate, this budget has attracted many contributions and I am not going to say that there are not some good aspects in the budget. On the issue of the pension, the point is that we all have to recognize that things are not as easy as they appear and there is tremendous difficulty in terms of ensuring that everybody gets a little piece of the pie. So that in whatever little measure the pensioners have gotten an increase, I would say that the Minister has

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

to be credited for that and for some of the other measures that he has in the budget.

In the initial stages I was almost tempted to give him the same credit for the issue of the licence, but I must say that following what the Minister of Works and Transport had said, and this big press release and the normal thing that he has become accustomed to, that he was implementing this new measure in relation to the licence that would get us away from this wastage of time, I really wonder if he and the Minister of Finance had any consultation themselves. We had one person saying that on your anniversary date it would be automatically renewed and then in the budget, lo and behold, we had this different measure. Therefore, the little credit I was tempted to give him, I had to take it away.

Furthermore, I am still willing to be persuaded, if the Minister could convince me how it would be cheaper, and I just want to use his Benz as an example. I do not have one myself. Give me the licence figure and when you are wrapping up, I want you to show how it is going to be cheaper for you to pay for gas. If I may take my good friend there, Sen. Finbar Gangar, coming all the way from Oropouche—I am not going to ask him, but I know that it would not be cheaper for him. It might be cheaper for the Minister because he is coming from just in the West, but it would not be cheaper for him and my other colleague here and some of the others coming from very far. It may be that some of us are exempt from gasoline. I do not know. I may be asking the Minister because he just said to me that he does not drive to work. I do not want to disclose some of the information that I have in relation to where Sen. Wade Mark is coming from, because he comes from different places at different times.

Mr. President, having regard to certain persons in the Senate, I withdraw that statement. On a serious note, though he is coming from the East, even like myself from Arima, I have done my calculations. My licence tax is \$215 and I cannot see, no matter how I do those calculations, unless of course, if I am to use Sen. Hamel-Smith's analysis that I drive excessively and, therefore, I would be penalized, which is what he is saying—it makes no sense.

Some of my other Independent colleagues, I am sure that when they make their contributions, they will also indicate. I have my colleague there from D'Abadie and I also understand that Sen. Cuffy-Dowlat has to keep very quiet on that issue. I will be sympathetic to her. Sen. Gray-Burke, of course, is from Laventille, I think she has the best of all because it is just a few miles.

Mr. President, I do not think that the Minister has convinced the population, but I know that he will attempt to do that in his winding up so we will give him a second chance. We will not just write it off.

That then causes me to go across to the Minister of Energy's contribution. The Minister gave us a quite excellent and interesting contribution. I think that he did give us an indication of how well his ministry performed. As I said before, it may be that he had a crystal ball that he did not share with the Minister of Finance and he was able to see this increase in the price of gas.

Mr. President, in the *Medium Term Policy Framework*, he has indicated that there are plans and I am reading here from page 42—in terms of development to:

“Develop LNG project involving AMOCO, British Gas, Repsol Cabot LNG and NGC.

Strategic expansion of the petrochemical industry including:—

- capacity expansion e.g. ammonia and methanol;
- aluminium smelters;
- ethylene complex; and
- polypropylene plant.”

Target dates, 1997—1999.

Mr. President, we know that presently the production in relation to natural gas is some 500 million cubic feet per day. In order to achieve these several things that he has indicated here on page 42, we know that insofar as the North Coast is concerned, the gas there would not allow him to do these things, that he has indicated, in 1997—1999. We are therefore looking at the East Coast. In order to do these things, we know that the natural gas production has to be increased to almost 1.3 billion.

Whilst these things are commendable—because what we are doing is diversifying and obviously having spin-off industries in relation to the natural gas—I cannot say that I am totally convinced that in relation to what is projected here, that the Minister has actually shown us how we are going to increase that production from 500 million to 1.3 billion. In relation to our revenues and where we have seen most of our moneys coming from in the budget, this is one of the areas on which we need a serious discussion and analysis. Therefore, I am hoping

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

that maybe the Minister of Finance could probably indicate how that particular area would be worked on. Yes, he indicated that there are serious strategies in relation to stimulating the East Coast production, but that increase from 500 million to 1.3 billion is really a considerable amount and I do not know that we have really seen that.

Sen. Gangar: Mr. President, if the hon. Senator would just give way on a point of clarification. The present production capacity is 750 million cubic feet per day and not 500 million. As part of the Atlantic LNG agreement, AMOCO is now committed to spending US \$600 million, starting on January 2, 1997 into 1999, to make up the shortfall of 500 million cubic feet required for the LNG plant and the new ammonia plants. The Government has signed a contract for AMOCO with stiff penalties for an additional 350 million standard cubic feet per day.

7.45 p.m.

Sen. P. Beckles: I thank the Minister for that clarification. I hope that when I make my contribution on the 1998 Budget we would see that shortfall he indicated. I would hold him to that.

I congratulate the Minister of Energy and Energy Industries. In his contribution, he indicated that in relation to the agricultural leases all efforts are being made to deal with that situation. He also indicated that there would be a comprehensive review of quarrying and mining. Decisions and legislative provisions, restructuring and leasing arrangements for quarrying arrangements have been put in place. This is one of the areas in which successive governments have had tremendous difficulty. Whilst some work has been done, it is one of the areas which has been long outstanding. I am sure if this is completed, it would be one of the projects for which he would take tremendous credit. I look forward to an update from him in relation to that.

I now turn to the issue of saving. I know that several persons have spoken about it, but I would add my contribution in relation to it. It is very interesting when we talk about an economy, and the extent to which we measure the performance, in terms of the extent to which we have encouraged our "small man" to save. Whilst almost one year ago the Minister had indicated that he was going to move the tax credit from the credit union movement, at present the law restricts the rate of return which the credit union can offer on its shares. Therefore, if the tax credit on credit union shares are removed, and the law remains in place, obviously, the credit union would remain at a disadvantage. I thought that the

appropriate thing to do would have been to have the removal of the tax credit, and also put the necessary legislation in place to ensure that the credit union movement does not continue to be at a disadvantage.

Mr. President: Hon. Senators, the speaking time of the Senator has expired.

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

Question put and agreed to.

Sen. P. Beckles: I thank hon. Senators for the opportunity to conclude my contribution.

In relation to the credit union movement we are speaking of thousands of persons who are members. I would give some figures to show the extent to which the movement has eased the suffering of many of the members by providing different types of loans. Up to 1995, loans have been as follows:

Loan	\$ (million)
housing	100
education	36
health	15
small business	17

When we think of the situation in relation to the exchange rate, very often the issue is one of perception and confidence. When one looks at the budget statement and the other ministers' reports on their performances for the year, one would ask: How is it that the dollar has been depreciated? I use that example to talk about the issue of the credit union movement. You would be surprised to know that in Trinidad and Tobago, depending on how change is implemented, sometimes disaster, or close disaster can take place.

The whole issue of education in relation to some of the things we have to do, must be taken in a very methodical and exacting manner, which does not only work out to the disadvantage of the movement, but also the nation, by extension.

The credit union movement has an important role to play. The analysis of the movement would show that to a large extent many persons are savers. This method has encouraged savings. I have tried to analyse and understand whether or not the decision to remove this is not a total disincentive to savers. People have

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

grown accustomed to adopting that particular method of saving. As Sen. Gray-Burke said, if the deed of covenant is removed and a person is no longer contributing to the church, then that person was not genuinely concerned about the church. Whether we face it or not, very often the issue of saving has to do with incentives. If we go back to biblical times or history there has always been a link. I remember very clearly while doing A'level history, with respect to the church, people thought that the more they paid, the more they were guaranteed to go to heaven. I am not making up that. There were those who paid for the church because they honestly believed that they would go to heaven.

With respect to confidence in the system, some people have decided that the movement is no longer viable. I ask myself whether or not, as a society, in terms of our economics, we are comfortable with people thinking that way. It would not work for our total interest and savings, and the contribution the credit union movement has made in terms of the savings of the entire nation. I know the Minister is very firm on it, but I hope that he would still think about it, because I feel it is one of the areas which could be potentially damaging to the movement and the saving pattern in Trinidad and Tobago. The credit union movement has been one of the movements which has educated people about the issue of saving. If we were to do an analysis we would realize that persons who save in the movement are very often the "small man". By this particular measure which he will implement, if the perception adversely affects the movement, it is not something with which we would want to go.

7.55 p.m.

As I also pointed out, if the tax is removed one has to ensure that the legislation is in place so that the credit union movement is not at a disadvantage. Even if the tax credit is removed in January 1997, and the proper legislation is not in place to ensure that the movement is not disadvantaged, then I cannot say that it would have helped it at all.

Mr. President, in relation to the whole issue of vagrancy and the fact that several measures have been indicated in relation to dealing with the social problems, I must say that it is very interesting. I was looking at an article in the *Trinidad Guardian* which dealt with the whole dilemma of the vagrants and again, this Government has adopted the position of giving itself all the credit for removing the medically or mentally ill vagrants from off the streets.

The *Trinidad Guardian* of Thursday, December 19, 1996 has put it so nicely. It says:

“It would be interesting, in fact, to see how the UNC-NAR government will now proceed in tackling this problem having regard to the fact that it was attorney Ramesh Lawrence Maharaj, now Attorney General, who halted one of the early clean-up initiatives by championing the human rights of vagrants. It is to be noted that in announcing his Government’s plan, Social Development Minister Manohar Ramsaran said it was their intention to remove ‘all medically ill’ vagrants from the streets by Christmas.”

Mr. President, it is interesting how very often we forget or ignore the positions we take at certain times when we want to conveniently deal with the whole issue of human rights. Suddenly, the Attorney General has ignored that these persons have rights.

I would make a few comments on the issue of training, of which the Minister of Culture and Women’s Affairs spoke in relation to the setting up of the Domestic Violence Unit and the hot line. A month ago, I was at a discussion in which a member of the police service was indicating that there was little or no training and the method used was not satisfactory. The Minister mentioned that there were two workshops and I was hoping that after her statements in relation to domestic violence earlier in the year, she would have given us some indication in terms of how she felt in relation to the continuing domestic violence that has been occurring in Trinidad and Tobago. Notwithstanding some of the steps that she indicated she would be taking, such as establishing units and setting up male support groups and so forth, there are still many things to be done.

Changing the name “Women’s Affairs” to that of “Gender Affairs” makes me wonder to what extent that will actually improve the situation of women. I suppose like everything else, it is felt that some of the things that have existed before, once the name is changed the problem will be solved. We will wait very anxiously to see how that change would influence and make the situation for women better.

My colleague, Sen. Cuffy-Dowlat, said that the budget would encourage women to become more independent. I do not know that I need anything in the budget to encourage me to become independent and I certainly know that nothing will encourage my colleague to become independent, but we will wait and see the

Appropriation Bill
[SEN. BECKLES]

Friday, December 27, 1996

review of how many women have actually become independent as a result of this budget. *[Interruption]*

I hear Sen. John echoing in the background. Maybe he is a bit sleepy as it is getting late. The Senator said he is the President of the largest trade union and in referring to a particular situation he indicated that if he had his way, he would have fired all the workers in the Ministry of Labour and Co-operatives and Co-operatives. I listened to him with total shock. He did not say that he would assist in training them so they may reach a level of competence that would be satisfactory; but then, again, I suppose that is how those on that side think of dealing with people. Once they cannot do what you want, they must be fired. He said that he did not intend to talk, they wanted to go through the debate quickly and finish it. I was glad that he said that because it is clear if they had their way, they would just pass the budget and there would not be a debate. When I listened to the contributions of some of the Members on that side when they were just reading achievements, I really wondered if this is a budget debate.

Thank you, Mr. President.

Sen. Vimala Tota-Maharaj: Mr. President, I rise to express my support for the 1997 Budget presented by the Minister of Finance and Minister of Tourism on behalf of the Government of Trinidad and Tobago. I say on behalf of, as this year's budget presentation was a team effort. All ministers and ministries were totally involved, so I would like to appeal to my colleagues on the other side, that when they are heaping praises on the Minister, do not forget the rest of us.

Mr. President, taking into consideration that I have been at the Ministry of Agriculture, Land and Marine Resources for exactly one month, I publicly thank the Permanent Secretary attached to that ministry and the technocrats who helped me prepare my contribution today.

8.05 p.m.

Mr. President, the goals and objectives of the Government's *Medium Term Policy Framework* for the national economy seek to achieve the following:

- (1) sustainable economic growth through the expansion of export-oriented activities with emphasis on increasing efficiency; expansion of the productive base and enhanced domestic food production with improved food security;

- (2) increasing levels of employment opportunities, poverty alleviation through enhanced and more effective inter-sectoral linkages such as agro-industrial supplies to the tourism sector and school feeding programme contributing to social stability and integrated rural development.
- (3) enhanced contribution to the nation's foreign exchange earning capacity; and
- (4) sustainable natural resources management and environmental protection.

Following this policy framework, strategies have been implemented during 1996 and will continue in 1997. The seven-year outline planning framework which informed the three and one-half year operational plan 1996—1999, was only one achievement of this new Government. Annual work programmes, achievements and strategies will be pursued according to policy objectives. We have achieved substantial success in the 1996 infrastructural development. Over 185 kilometres of roads, including verges and structures, were maintained and upgraded. At least 238 farmers benefited from these works. Ninety-one kilometres of access roads were also rehabilitated and over 2,600 farmers benefited from this project.

I assure Sen. Jagmohan that work is being done on the Oropouche Lagoon. We held meetings over the past two weeks with representatives from Israel and other organizations and we are looking into the salinity problem at the Oropouche Lagoon. Over 165 farmers benefited from the Land Distribution Programme. In Phillip Trace, perimeter surveys were completed for 105 hectares and at Harriet Trace, Rooks Estate and El Guanapo, 618 hectares comprising 405 plots were also completed. In these areas at least 350 farmers will benefit.

These achievements must be set alongside what was done, *inter alia*, an institutional strengthening trade and price policy, the revitalization of Caroni (1975) Limited, the restructuring of the School Nutrition Programme, restructuring and refinancing of the Agricultural Development Bank, the control of the hibiscus mealybug and the removal of illegal occupants from the Nariva Swamp.

Mr. President, this Government is doing those things which will improve food security in Trinidad and Tobago. Our country is blessed with a good climate and soils which can produce rice, vegetables, root crops and livestock. In the past, we exported cocoa, coffee, citrus and sugar. I would like Senators to know that in the

Appropriation Bill
[SEN. TOTA-MAHARAJ]

Friday, December 27, 1996

past month we have been meeting with cocoa, coffee and coconut farmers across Trinidad and Tobago. They have been formed into associations and they are now in joint committees or task forces with officials of the Ministry of Agriculture, Land and Marine Resources. We are trying to revitalize these important areas.

Our agriculture was neglected; farmers were neglected and the land was abandoned, except for some hardy and resilient folks who loved the land. The collapse of our dynamic agriculture has had serious consequences for the nation. Rural unemployment has increased, young people have drifted to centres of population such as along the East-West Corridor, San Fernando; and our food import bill has become a tremendous burden with no offsetting increase in foreign exchange earned from agricultural exports. This means that this responsible Government will vigorously implement projects to improve food security.

It is appropriate to remind this honourable Senate that India was once a basket case, a country which would never be able to feed its nearly one billion people. What is the situation today? India is not only almost self-sufficient in food, but it is a net exporter of grain, oil seeds and other products.

When a farmer produces crops and cannot sell them he or she is discouraged. Marketing is a critical link in the production process. This Government has relocated the headquarters of NAMDEVCO, the major marketing agency from Aranguez, where we paid an exorbitant rent, to Debe, Penal, where it rightly belongs. It is our intention to use that facility as a modern centre linking farmers and markets at home and abroad. We are also considering the processing of crops to add value and, in this regard, we are encouraging farmers to invest in these activities.

Mr. President, by increasing food security, we are also creating jobs and reducing the export of foreign exchange to purchase food. We are also increasing the income of low-income citizens and so reducing poverty. This is being done in a manner to protect our fragile eco-system.

All over the world there is anxiety concerning the extinction of rare plants, animals and destruction of the environment. This Government is dedicated to the principles for the protection of our forests, water resources and animals. I am referring to the balanced use of our land to protect the environment, while using modern technology to produce food. In this regard, the successful control of the hibiscus mealybug using biological control shows how modern technology can be

environmental friendly and not be destructive to the forests, swamps, wetlands and coastal waters of our beautiful country.

I would just like to highlight one aspect of this hibiscus mealybug to let the Senate know some of the work that is being done. Releases of the biological control agents of the hibiscus mealybug have been undertaken in approximately 155 locations throughout the country and surveys to measure their effectiveness have been positive. In an effort at controlling and containing this pest, over 500 farmers were provided with training in the identification and control of the hibiscus mealybug. Technical support and assistance are also being provided by this Government to the governments of Jamaica, Grenada, St. Vincent, the Grenadines, St. Kitts/Nevis, Barbados and Belize.

8.15 p.m.

Trinidad and Tobago has developed the expertise in dealing with this pest with the assistance of CARDI and FAO. The Government of India has provided an expert for a period of 10 months to this country. The Integrated Pest Management Programme developed by CARDI and the Ministry of Agriculture, Land and Marine Resources will continue over the next three years. Therefore, we are not only helping to control the hibiscus mealy bug in our country but we are assisting other Caribbean countries.

Mr. President, the Rural Access Roads Programme is consistent with a different vision of population growth centres. Formerly, fiscal policy and the PNM's vision created incentives for depopulation and migration from agricultural villages. This Government now pursues a policy of improving both the physical and social infrastructure in which agriculture can flourish. We are encouraging those traditional values which were the foundation of a vibrant, self-sufficient agricultural policy, and the Rural Access Roads Programme in which the Government is engaged in both maintenance and development will contribute to food security and an improved quality of life for thousands of people.

Mr. President, Aquaculture: The establishment, not only of large fish and shrimp farms, but also a community-based aquaculture programme is a project with tremendous implications for our young people. There are several species of fresh water animals and some exotic types which have been shown to thrive under our conditions. Considering the hundreds of millions of dollars we spend annually on imported proteins, it is urgent that we expand these initiatives in the villages where they can foster private enterprise and family values. I mean, such projects

Appropriation Bill
[SEN. TOTA-MAHARAJ]

Friday, December 27, 1996

are ideal for the family and even children can make a contribution to feeding the fishes and other aquatic species. The capital intensity of these methods is well within the capability of low-income families and, again, is another way to support the lower-income group of people. Our general improvement in fisheries and the plan to create a National Fisheries Training Institute will be complemented by all aspects which involve the production of fish, shrimp and fresh water species.

Sen. Jagmohan expressed his concern for the fishermen and I would like to inform him that our fishermen are well taken care of in 1996. The Fisheries Division programme of work focused on the provision of infrastructural support to the fishing community. The landing beach at Otaheite was provided with a fishing centre whereby approximately 130 fisherfolk benefited. The incentives programme for the fisheries subsector, in 1996, provided for taxes and duties exemption for the fishing community on engines, marine accessories, new vehicles and fishing vessels totalling \$1.2 million. Subsidies on vehicles and fishing vessels totalled \$85,000 and rebate on gas purchases for fishing vessels, well over \$3,000,000.

Our forests are a very valuable resource. Most of the benefits will accrue to our grandchildren and great grandchildren. We must, therefore, stop the selfish devastation by illegal logging and forest fires. With respect to forest fires, over 178 fires were controlled in 1996; 300 hectares were re-established in St. Andrew, Caroni, Victoria, St. George, Mayaro, Ortoire, Nariva and St. Patrick.

In the 1995 budget allocation for forestry, \$0.5 million was allocated. In 1997, \$3.5 million has been allocated for the forestry section. Forests are not only producers of wood, but they also protect our ground water resources, wildlife, prevent flooding and silting up of dams and watercourses. Forests, properly managed, save us billions of dollars in the present and earn countless billions of dollars for future generations, not including the benefits from hiking and enjoying eco-tourism.

The Research and Extension Divisions of the Ministry of Agriculture, Land and Marine Resources, will be restructured and will become farmer oriented, being driven by the needs of the farmers. Veterinary services are being strengthened. This is very important because of the existence of mad cow disease and other diseases among cows, goats, sheep, pigs and poultry, such as foot and mouth and some viral diseases.

Mr. President, prevention is better than cure and this Government has no intention of repeating the negligence and carelessness which has cost us millions of dollars because of the hibiscus mealybug.

Appropriation Bill

Friday, December 27, 1996

Mr. President, counting all these achievements and the proposals for expenditure and my Government's emphasis on the agricultural sector, I support this Bill, as presented, for the benefit of the people of this country.

Thank you.

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I beg to move that this Senate do now adjourn to Monday, December 30, 1996 at 12.30 p.m.

Mr. President: Hon. Senators, before I put the question, please be informed that dinner will be served in the tea room.

Please remember also, the CPA Members' Christmas luncheon which is scheduled for 11.30 a.m., tomorrow, in the Rotunda of the Red House.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned 8.24 p.m.