

Leave of Absence

Monday, December 30, 1996

SENATE

Monday, December 30, 1996

The Senate met at 12.31 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, leave of absence has been granted to Sen. Elizabeth Mannette for the period December 27, 1996 to January 05, 1997. Leave of absence from today's sitting has been granted to Sen. Hugh Donaldson.

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: DENNIS NANCOO

WHEREAS Senator Hugh Donaldson is incapable of performing his functions as a Senator by reason of illness:

NOW, THEREFORE, I, NOOR MOHAMED HASSANALI, President as aforesaid, acting in accordance with the advice of the Prime Minister in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, Dennis Nancoo, to be temporarily a member of the Senate, with effect from today's sitting and continuing during the period of illness of the said Sen. Hugh Donaldson.

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 30th day of December, 1996.”

ARRANGEMENT OF BUSINESS

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I beg to move, that the swearing exercise involving our new temporary Senator be deferred until a later stage of the proceedings.

Agreed to.

**APPROPRIATION BILL
(BUDGET)**

[Third 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 National Security (Sen. Brig. The Hon. Joseph Theodore): Mr. President, I welcome the opportunity to lend my support to the budget which was presented by the hon. Minister of Finance two weeks ago. In the budget, the hon. Minister of Finance clearly identified the areas of activities that would be emphasized by this Government in the coming year. One such area is with respect to national security.

The crime situation, which was fueled by the drug trade, became our main focus in 1996, when it was decided that priorities should be given to addressing the needs of the main enforcement agency, the police service. This administration was faced with a major undertaking to deal with a crime culture that had been developed, unchecked, from the start of the 1990s. Dealing with the police service meant reversing problems that were caused by a lack of resources, poor morale, run-down accommodation and a decaying fleet of vehicles.

Mr. President, during the year we were able to continue an exercise to have seven police posts built and six police stations: two posts were opened earlier this year, and in January, 1997, the five remaining posts would be opened along with the six stations that are to be staffed and commissioned. Three stations were refurbished in 1996 along with a dormitory at the St. James Barracks. The problem with these police posts stem from a lack of manpower because each police post demands additional people. As it stands, the number of police stations is reflected in the schedule strength of the police service, but the idea to have 16 police posts built over the last two years meant that there needed to be an increase in the strength of the police service. Unfortunately, when we came into office we found

that provision was not made to staff these additional police posts. That was one of the problems we had to overcome in 1996.

12.40 p.m.

The police posts were placed in two categories: small posts and large posts. What I would like the Members of this honourable Senate to appreciate is the police officers doing 24-hour duty. A small police post requires 36 officers: one sergeant, five corporals, and 30 constables; while a large police post requires 51: one sergeant, five corporals, and 45 constables. You can see, Mr. President, straightaway these five police posts that are to be opened in the new year will require a complement of 225 officers. This in itself is a contradiction, because to simply say that one is going to build police posts in high crime areas does not solve the problem. One cannot simply be drawing from the existing police stations to man these police posts and reducing the efficiency of existing stations. This is the problem with which we were faced.

While it was a good idea to implement the issue of police posts, there was no follow through on how one was to go about implementing this additional police presence in these high crime areas. In 1996, we had to deal with a situation of limited manpower when the demands that were being made on the police service, because of the crime situation, were for more police. So, here we are with a demand for more police and putting in police posts for which recruits were not being trained.

As an example, Mr. President, in 1993, there were 118 recruits who were trained. In 1994, 158; in 1995, 88. One would expect that the number would go up, but instead we saw the number going down. One of the reasons I attribute to this lessening in the recruit training was the fact that one of the major dormitories in the Police Training College—there are two main dormitories, Sir—was in a state of disrepair, and last year, we discovered that not only did the roof leak, but the floorboards had rotted because of the rain coming through the roof, and the dormitory had been abandoned the year before, or maybe two years before.

As it turned out, it was first of all necessary to provide the accommodation needed to train the requisite number of recruits to fill these vacancies. A further problem that we were faced with was that the demoralized state of the police service led to many resignations. I was advised by the Commissioner of Police at the time that, in fact, he had difficulty training sufficient recruits to replace the large number of police officers who were leaving the service at the time.

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One of the first things the ministry did in 1996—and this was done in collaboration with the Ministry of Works and Transport—was to have that second dormitory fixed immediately. This is something that I have raised before in this honourable Senate and it is no secret that what we were aiming to do was to double the intake of trainees, which we in fact accomplished, and instead of training less than 100 recruits, as had been the case in 1995 when only 88 were trained, we were able, in 1996, to train 240 recruits to join the police service. [*Desk thumping.*] Of these, 240 recruits, 234 were successful and graduated on December 17, 1996, and joined the various police stations in Trinidad and Tobago the next day.

We have been able to put in place the mechanism for dealing with the shortage. Of course, one would appreciate that this does not happen overnight and it will take some time before the police is brought up to its sanctioned strength and there are enough police officers on the road to deal with what we perceive as the increasing crime situation.

I would like, with your permission, Mr. President, to read in part what the Commissioner of Police said at the graduation ceremony. This is an address by the Commissioner of Police at the passing-out parade on Tuesday, December 17, 1996 at the Police Training College:

“Graduates, your behaviour can either enhance or erode the public confidence and support for what we do. I say this against the background that you are the first recipients of our revised training programme. Being pioneers of change, you are expected to demonstrate to the public, the benefits of the reforms taking place within the Service.”

Mr. President, what that signifies is that we are not simply satisfied to bring in more young men and women to be trained as police officers, but we have restructured the entire training programme as it applies to recruit training, and training throughout the police service. Later on, I will deal with the areas of that training programme which have been affected and the specialist and specified courses which have been designed to upgrade the quality of the police service and to make police officers far more efficient in performing their duties to protect and serve the public of this country.

In dealing with these police posts, again, we became aware that the 16 police posts, while being a drain on the existing resources, also needed revisiting. While on the one hand this administration was prepared to upgrade the existing police

stations, repair those that needed to be repaired, complete those that were being constructed, we also felt that the additional mobility which the police officers needed would give them the ability to cover wider areas, and in fact, areas which were earmarked for police posts became no longer necessary.

Mr. President, in order to be able to man the police posts, we took a decision during the course of this year to reduce the number of posts by five. So, instead of 16 police posts, we felt, on looking at the population distribution and having another look at the so-called high crime areas, that 16 posts were not the answer, but 11 posts would do. This did not exactly solve the problem because you would appreciate that having had seven posts—two were commissioned this year, there will be five to be commissioned in January of next year—there are four posts left. Instead of making them large or small, we took a decision to make them all large police posts which means that the complement of police officers will be 51 for each of these posts.

What we are looking at here, Mr. President, is an additional requirement of 204 police officers to man these police posts. It is fairly easy to say that there are people in the police service, but it has to be recognized that these police officers who are there, are already serving at the various stations in Trinidad and Tobago, and the police posts were designed as additional places where police officers would be stationed. So, in order to rationalize the position and to make it more meaningful, we are now down to 11 police posts for which 255 officers are required in January, and I am pleased to say that the recruits who passed out in December will, in the main, be able to address the situation.

I want to point out that it would not be the recruits alone who will be going to the police posts. There will be trained policemen, older police officers who are more experienced—it is a mix. The recruits will not simply be sent to deal with the police posts, because a number of people get the impression that the 234 police officers who passed out, since they were earmarked for police posts, that is all they would do.

12.50 p.m.

So we move on to the next phase, the completion of the four remaining police posts and the training of additional officers. In February, a further 250 trainees will be brought into the barracks to start training for five months. We have already decided that a further 250 will be brought in, in July of next year and they would

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be passing out in December, 1997. I am extremely happy to say that by the end of this year, the police service would be increased by 500 policemen and women to deal with this shortage that we met when we came into office. So, basically, we can now cope with this idea for the police posts and we have no problem with it.

I would like to touch briefly on the background to this whole matter of additional posts. It started in the Barataria/San Juan area when the businessmen complained, I would say, around 1992—1993, that they were feeling unsafe because there was rising crime in the area; there was talk of drug dealers in the area; guns being rented to criminals to use to commit robberies, and the Businessmen's Association became concerned. What is unfortunate is that nothing was done by the administration at the time to relieve their concern or in any way provide additional accommodation.

The police station in San Juan, unfortunately, is off the beaten track and is not in the main population area, certainly not in the main business area. What happened was that the robberies took place away from the police station. By the time the police were able to react at the time the complaint was made, they had no transportation, so you either had to send for them or if they decided to walk at all, they would come several hours later. What the businessmen themselves had to do was to build their own police post, which is now known as the San Juan substation. It is on the Eastern Main Road right at the Croisee. It is the same place that was invaded by five young men earlier this year. There is not a problem with the substation, but, again, to have businessmen build a substation, one would expect that besides the plaques and the writing on the walls of all the people who contributed to it, one wonders just how much responsibility the state was taking for the safety and security of our people.

Not only was the substation built, it was opened eventually on December 14, 1993. During that period the vehicles for that station were also repaired by the businessmen from San Juan. This is very enterprising and very commendable that the business sector would feel that they should contribute to the overall safety, but the impression created is that the administration behaved as though it was not its problem. If it is that the businessmen were having a problem, do something and fix it. In other words, "If you want police, do something and we would send police there."

Even from that time there were not enough policemen and women. In fact, since that time the police have been making representations for larger numbers.

There is the matter of the civilianization programme which was adopted and which, I am pleased to say, is working, where a large number of policemen and women who are doing administrative jobs are being replaced by public servants and people on contract to allow them to come out and do police work. This is not really a major problem, but what I am concerned about is the general feeling maintained by the public that if they needed police protection they had to do it themselves.

Coming out of that is the large demand for firearms. Everybody wants a gun. What we have seen recently is that a number of civilians with firearms are using them against other innocent civilians and I am not quite sure that is the answer. I feel that this administration recognizes, and we are prepared to acknowledge, our responsibility for providing safety and security to our population. We are not leaving it for the citizens to do. We quite appreciate the efforts that are being made, but businessmen should not be forced into a situation where they become so desperate that they have to find the wherewithal to put up a police station. If that pattern is followed, where will it end?

A police post in Patna, which is still not completed and unoccupied, was ceremoniously launched on November 3, 1995, three days before the election. I am not quite sure what was the purpose for doing so because up to now there is no furniture in the place and there are no police personnel to send there. But there was this big launching. I do not know if it was designed to “mamaguy” somebody. But I am asked now: Why do we not occupy the Patna station? The fact is that the police resources are such that there is nobody to put. This matter will be corrected in the new year and I am pleased to say that all the police stations that have been completed and all the police posts that are ready for occupation will be manned by the police service.

Now, in keeping with this decision to improve the efficiency of the police service, training courses were also conducted for selected officers in: drug investigation and enforcement; security intelligence and investigative techniques. A comprehensive crime-management plan was developed by the police service and in keeping with the exchange of information and the speedy access for information, the following stations, branches and sections identified as priority areas have been successfully linked to the data base at the police administrative building from March 1996. They are: the Special Branch; the Criminal Investigation Department; the Police Training College; the Organized Crime and Narcotics Unit; the

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Morvant, Sangre Grande, Chaguanas, La Horquetta, Besson Street, St. James and San Fernando Police Stations; the Police Administrative Branch; the Court and Process Branch; Criminal Records Office; Traffic Records Office and all executive officers.

The whole purpose here is to make use of the computerization of information to allow these various stations to access this information in the shortest possible time. Following on this initiative, the police vehicle fleet was increased by 127 vehicles, which gave every police station some measure of mobility. I insist, it is only a measure of mobility because a number of stations which ought to have more than one or two vehicles, are barely making out with, perhaps, the one or two vehicles that are available to them.

Coming out of this is the need for maintenance. One assumes that these vehicles would last forever; never have any down-time; never be required to be repaired; never get into accidents. So based on that premise, it appears that the intention in the past was simply to buy vehicles and run them until they no longer worked, then put them in the scrap yard at the St. James Barracks, which is there for all of us to see. Sometimes, I have a good mind to leave them there and maybe put up a plaque—as some former minister put on the Wrightson Road when he resurfaced it to claim credit—to remind all of us of the inefficiency and neglect that the police service suffered prior to our coming into office. [*Desk thumping*] But we have more sense than that, Mr. President.

We have taken steps, indeed, to identify the vehicles that are not economically repairable; there are 111 of them. These vehicles would shortly be disposed of by public auction and the remaining 160 are earmarked for repairs. The intention is to have them back on the road and spread the workload on the vehicles to give them a longer life and to give us some value for the money we have spent in acquiring these vehicles.

Earlier this year an invitation was extended to firms which repair motor vehicles to become prequalified to repair police vehicles. This was necessary because there were no measures in place to fix these vehicles which were left there to rust and rot. There was no inspection nor servicing schedule for working vehicles which continued to deteriorate and were kept in use despite their obvious defects. Lack of maintenance also plagued police stations that were in need of repair.

1.00 p.m.

So instead of ignoring the pleas of the police association and allowing these stations to fall down around those policemen and policewomen who are doing such a fine job, a plan to repair and refurbish a number of stations was worked out with the Ministry of Works and Transportation. The hon. Minister arranged not only to take over the construction of some police posts at reduced costs, but to repair those stations that we had identified. Those stations that we had identified in 1996 were repaired this year, and would permit us to continue using them while plans are being made for further repairs to, and replacement of stations.

It seems as though, again, this pattern extended to police stations. Build a new station like the one in St. James, or the one in Caroni, do no repairs at all, absolutely no maintenance, allow the place to fall down, and then come several years later and talk about how many millions of dollars we need to put up a station. I remember in Maraval, the only thing that prompted the former administration to deal with the station, was when the Police Association brought all the constables out in the yard and sat in the road, because they said they were not going to occupy that building; only then did a response take place.

Now, if that is what has to happen, I am afraid that it will not function. It did work—you are quite right Sen. Mohammed, maybe that is what the PNM needed, strong-arm tactics; it worked. Well the pattern had been set, but again, this is no longer necessary. This administration which is interested in the people, and is prepared to do what is needed for the safety and welfare of the people, and the administration of the police service, does not need threats. We do not need the police to walk out of a station; we know, and we will do what we have to do, Mr. President. We anticipate, we have an interest, and we took a pledge to deal with the crime situation in this country, and we stand by our decision to create an efficient police service, and we are going to give them what it takes to do their job properly.

Another area of neglect is where the public continued to suffer from major inconveniences caused by delays in having recovered stolen vehicles returned after they had been identified by their owners. Most of the Senators of this honourable Senate are aware, and have friends and relatives, and they themselves may have had vehicles stolen, and have gone to the police station, seen the vehicles, and could not get them back, or that parts were missing. By the time the vehicles were ready to be returned three years later, they were really not worth the while. Again,

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this is not something that we met working properly, Mr. President. We had to undo the wrong.

So it is not one job we had, we had two jobs; straightening out the neglect as far as the people are concerned, and putting measures in place. So this is what we have been doing in 1996, Mr. President. The reason is important. I term it a year of discovery. We had to find out what was wrong. We had to try and determine what we needed to do to put these things right, and then devise plans and find means of putting things in shape, and taking action to correct the measures that were needed to deal with the police service.

The problem was a shortage of personnel at the Forensic Science Centre, because there are people there who are supposed to read the serial numbers that may have been erased, before the matter goes to court, and the magistrate can proceed to deal with a stolen vehicle matter. Again, the idea was there. I am not at all denying that the PNM administration had ideas, but the problem is that they did nothing, or they did not know how to implement these ideas.

I thought I had a great idea when I said, well, if you cannot get people at the Forensic Science Centre to read the numbers, why do you not get some policemen and train them? I was told that could not be done because there were no police officers who had the qualifications to be so trained. To my surprise when we did make an effort, we found that there were countless police officers who had the necessary physics and chemistry subjects to be trained by the Forensic Science Centre.

I am glad to say at this time that, four policemen have already been trained and graduated in November, and are working at identifying a large number of cars, so that we can speed up the return of these vehicles to their rightful owners. Next year, another 12 police officers will be trained and I am advised that we can clear the backlog before the end of the year. Of course, it does not mean that the police officers can do all the work; they can do the preliminary work. Where there is a problem in identifying the numbers that require further attention, those few vehicles will be referred to the Forensic Science Centre.

Again, why is it these vehicles were simply left there? That was putting temptation in people's way, because people were known to be borrowing tyres, borrowing a battery, but they were never returned, therefore, people complained. Who were the people? The people who were working under the PNM

administration; those were the people. People are encouraged to do wrong. If one goes to a hotel and leaves one's wallet on the dressing table all the time, sooner or later somebody is going to feel it was left there for them. So you do not put temptation in people's way and you do not neglect the public.

It is not the police who are being neglected, Mr. President, it is the motoring public whose cars were recovered. It is bad enough to have your car stolen, but the car is recovered and you still cannot get it. Now what sort of behaviour is that? It shows a callous disregard for the feelings of our people. The PNM did that already, Mr. President. Talking about attacking the integrity of the police officers; the police officers were condemned as criminals, they were told they were all dealing in drugs. The police officers were told that they cannot be trusted; efforts were made to fire the Commissioner of Police, Mr. President. On the television, he was offered a job in a very insensitive manner. No regard; the police morale was bludgeoned by this sort of reckless behaviour.

The police are now beginning to feel a sense of themselves. The last administration preached about self-esteem, and while on the one hand somebody was lecturing about self-esteem, I am not sure if it was at Piarco, or near the Pride Project, another person was condemning the police service, not giving them manpower, not giving them vehicles, and not giving them anything to do their jobs, and allowing the drug menace to establish itself in this country, and raise the crime rate. This is what was going on.

Recently a community police section was established, with trained personnel being posted to all the police divisions, to strengthen the policing ability to manage and fight against criminal activities. This division has undertaken these activities to initiate serious action against crime. While some time had to be spent, as I said earlier, assessing our resources, and becoming informed of what needed to be done, and how best to deal with the inherent problems, and those created by the drug culture, I am satisfied, Mr. President, that as I stand here, adequate action has been taken during the year to raise the performance level of the protective services. I look forward with confidence to next year. I am confident of the ability of the members of the security forces to do their jobs effectively, and confident of their willingness to support the initiatives that are being taken to deal with the drug situation.

1.10 p.m.

Mr. President, this administration recognizes that the approach to fighting crime is a multifaceted one and the Ministry of National Security operates in

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collaboration with other ministries to get to the source of the problem with a view to achieving a significant reduction in crime during the coming year. The ministries with which the Ministry of National Security works are: the Ministry of Social Development; the Ministry of Education; the Ministry of Community Development, Culture and Women's Affairs; the Ministry of Sport and Youth Affairs. One of the measures taken this year to improve the overall performance of the police service was the establishment of the Police Complaints Authority which opened its offices in May, 1996.

This Police Complaints Authority became an entity in 1993 by Act No. 17 of Parliament and, of course, I need not say that in monitoring the pattern that had been followed for the balance of 1993, nothing had happened. For the entire year of 1994 nothing happened, no Police Complaints Authority was established. In 1995 nothing happened and it was only in December, 1995 that the membership of the Police Complaints Authority was established and offices were eventually set up which they occupied in May, 1996.

The Police Complaints Authority was established to restore the public's confidence in the police service because the public, having been fed the line that the police are corrupt, began to believe it. So, we wanted to make sure that there was a neutral agency to which one can take a complaint and not be afraid of victimization, because the talk making the rounds was that if one reported police to police one would have one's house raided and they would probably find something there which would cause one to end up in court. This is a fact of life. So, the people of this country must be able to go with confidence to report some sort of behaviour or activity and have it acted upon.

Mr. President, it is known that the head of this Police Complaints Authority is retired Justice Davis, a person who has an extremely good reputation and who, I am sure, will give the public the confidence they need to deal with matters of the police that may be tarnishing their image or contributing to lowering the standard of the police service.

On the matter of training, in Trinidad and Tobago there is the Joint Services Staff College which was opened about 10 years ago and its purpose is to provide training for the police service—training for middle managers, inspectors and sergeants. Over the years, the college has been functioning but the courses became very academic and while there is no complaint with that, the effort to deal with policing and police training was minimized. I have spoken with the co-ordinator of

the college, the Commissioner of Police, the senior superintendent in charge of the college and the police association and it was agreed that starting in the new year there will be two broad categories of training.

I am reading from a document submitted by the programme co-ordinator, informing the ministry of the plans for short courses for members of the Trinidad and Tobago Police Service at the Joint Services Staff College:

"The primary objective of these courses will be:

1. To provide job specific skills that would contribute towards control and suppression of crime and improved public relations and public image of the Police Service as a whole;
2. To provide a developmental training to all Police Officers;
3. To provide a forum of exchange of ideas among Police Officers."

There will be two broad categories of training: "Generic (developmental)" and "Job Specific". For example, under "Generic Training" there will be training in interpersonal skills, public relations, protocol and principles of leadership. The course component would comprise team work, problem solving, decision making, building respect and trust among officers, managing behaviour, creativity and risk taking, succession planning, goal setting, strategies for taking charge. Under "Job Specific Skills" the course component includes: law, ordinances, rules and orders governing departmental procedures, the importance of the rank of sergeant, basic concepts of organization and management, job planning, work schedule and inspection plan and aids to planning—using organizational charts.

Mr. President, one sees that what is being done for the police does not comprise buying vehicles only as some people have been mouthing about the place and trying to convince the public that more jeeps would not help. We are looking at the management programme and the training that had been ignored. We want the police to be trained. The police have been saying for years that there is no need to bring people from abroad to tell them what their problems are. They are telling us that they know what their problems are. They are asking for the tools and they will solve their problems.

One of the tools is education and training. Much of the training could be done locally. In fact, arrangements are being made even as we speak to have certain training teams come from America and England so that they can train more people

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here rather than us sending people abroad at great expense to be trained one at a time. Another complaint is that people would receive training and be put into another department where their training is totally useless.

So, for what it is worth, Mr. President, I would like to inform this honourable Senate that the police service, in fact, is the service we identified on which concentration was required. We did not ignore the fire service, we did not forget the prison service and we did not put aside the coast guard, the regiment or the National Emergency Management Agency. Also, we did not forget the cadets or immigration. We highlighted the need for the police service to be efficient that is why they have been making the headlines more than anybody else. However, that is not to be misinterpreted as any slight of the other departments of the Ministry of National Security because the protective services comprise of the police service, the prison service and the fire service and the protective services are what this ministry is all about.

1.20 p.m.

Mr. President, the matter of vehicles, since that seems to be something that is troubling everybody. This deals with their maintenance, and as I said, these garages have been prequalified, inspected, and they have had security checks conducted on their owners and the people who would be working there, to ensure that the police vehicles, as far as possible, would not be tampered with, or made unsafe. Along with this, is a plan to have the police fleet department conduct regular inspection of vehicles that are running. This will lead to preventative maintenance measures being taken, because again history has shown that the vehicles are run until they break down, and the only time they go to the workshop is when they are towed into the barracks. The barracks does not have the wherewithal to do the level of repairs that are required to maintain these vehicles, so we are looking at it in two ways. These garages will do the major repairs: straightening, painting, engine, electrical, as the case may be, while the police themselves would have the responsibility of calling these vehicles in, at whatever period has been determined by them, for inspection, so we could forestall any deterioration; we can stop a situation deteriorating before it gets out of hand. That way, we hope to maintain the integrity of the fleet and keep as many working vehicles on the road, as possible, on a 24-hour basis. This is where we are going.

Again, in collaboration with the Ministry of Works and Transport we have the same plan for police stations. The police posts are new but the important thing is,

as brought out by the hon. Senator on Friday, we cannot lose sight of the fact that having built something, that we do not make provision to maintain and upkeep it, or in fact, the vehicle or the equipment, that we have spent capital on. The budget has given us money to get engaged in these capital expenditures. As I said, we are arranging for preventative maintenance to be done on the vehicles, similarly, with the accommodation, we will be working in collaboration with the Ministry of Works and Transport. The police has a artisan corps, which comprises carpenters, plumbers, electricians, and so forth, but one never hears about them.

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

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

Question put and agreed to.

Brig. The Hon. J. Theodore: Thank you, Mr. President, and hon. Senators for giving me this extra 15 minutes. I must confess that it is the first time I have ever spoken so long, I think I am hitting a landmark here making an hour, but bear with me.

We have another issue, car theft, again very prevalent around Christmas and holiday times.

Sen. Mohammed: All the time.

Brig. The Hon. J. Theodore: Thank you, Senator, all the time. We had a committee which was formed during the course of this year, and again I thank the hon. Sen. N. Mohammed for reminding me that it is all the time, because strangely enough it is only this time, that we have a committee studying this issue of car theft. No one has told me why it was not done before. For what it is worth, this committee did meet, I reported to Cabinet, and an implementation committee has been formed to oversee the implementation of the recommendations that were made and accepted. This, we are positive, will reduce the incidence of car theft. The car theft committee is not only asking motorists to contribute toward making their cars secure, but it would give the police and, again hopefully, the community, the ability to assist us in reporting any suspicious activity, or maybe reporting a stolen car.

One of the things we want to do, will be to tell the television and radio stations, when we get a report that a car is stolen, that car number "XYZ" has just

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been stolen. Now this may mean three hours later, one may go to a show and not discover the theft until coming out, but the idea is, if we can broadcast it, we are hoping that there would be other eyes out there which would spot the vehicle. We are also looking at the car stripping areas and again, the increased mobility would give the police the opportunity, hopefully, not to intercept, but to come to terms with these thieves before they are able to do too much damage to the car.

I would just like to touch briefly on the Complaints Authority. For the information of all concerned, the Police Complaints Authority is there to receive complaints on the conduct of any police officer; to monitor the investigation of complaints by this division of the police service, that is, where the reports go when made to the police; and to review reports from this division. What this means is that if the complaints division is investigating a report, it has the overriding power to call on them to report on what action they have taken and what results they have reached, and to request any information, documents, or things, with respect to a complaint from the commissioner, the division, any person making a complaint, the police officer against whom the complain was made, or any other person who, in the opinion of the authority, may be able to assist. This Police Complaints Authority has been given adequate power to deal with the situation that may arise.

As far as the computerization is concerned, right now, the programmes cater for morning crime reports, warrants, police personnel records, criminal records, firearm records and traffic accidents. In 1997, we intend to extend this programme to the remaining police stations, and also to add new programmes dealing with incident reporting and a crime reporting module. Ongoing hands-on training for police personnel in the use of computers, is taking place now and I am confident that with the hardware and software we will be able to achieve this data base, which will allow the police at any area, when apprehending a suspect, to be able to check on that person in the shortest possible time to determine what sort of information there is on him at the station.

Adding to the ability that we want to give the police to deal with the crime situation, in addition to putting more of them on the beat, subject to the training that we would be carrying out at the barracks—and hopefully, not as many police who have not reached the retirement age, would be anxious to leave the service now—we will be commissioning in the second quarter of 1997, an emergency 999, rapid response system. This will operate from St. James Barracks from a central

communication centre, and in the first instance would be linked to 15 police stations in Trinidad and Tobago, where there would be vehicles along with adequate response personnel who will all be members of the police service.

Just a note on this system. I remember there was a 999 system a few years ago, which has fallen into disuse now, and although I am told that one can dial 999 and get a number, I am not quite clear what number one would get when one investigates that. The intention is that this would be a computerized electronic system, where, when a call goes to the central control, the nearest police station, which would be identified on the monitor, will be notified and a response team would proceed. Tied in with that, will be the issue of addressing, not only criminal behaviour, but we have been in consultation with both the Ministry of Social Development and the Ministry of Community Development, Culture and Women's Affairs, dealing with domestic violence, because the community police we see, can also form part of this grouping. So since we are dealing with community involvement, what we are looking for is a greater contribution from the community, to notify the police about strange people and activities in the neighbourhood, and be more prone to talk with the police. I must confess that a number of people will prefer not to say anything to the police at all, and just pretend that they were not there and saw nothing. We have to change this attitude.

1.30 p.m.

In 1997, in addition to constructing the remaining four police posts, we will be building 10 stations. Four have been identified for extensive repairs and repairs will be carried out on all stations that were identified as needing repairs. The police artisan corps will be working along with the Unemployment Relief Programme and they will also carry out regular inspections to institute a repair programme as necessary. In order to maintain an effective police presence, the sanctioned strength of the police service will be increased by 468 police constables and part of this number will constitute the 250 who will start training in February, 1997.

A greater investment will be made in the human resource element of the police service through training, and retraining, and training will not only be confined to recruits. The expertise of the Joint Services Staff College will be utilized to work alongside the Police Training College to follow a completely revised programme that is being developed, aimed at providing appropriate courses for First and Second Division officers at all levels. Concentration will be on police work with short courses in generic and job specific subjects being run throughout the year.

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Specialist training for the Organized Crime and Narcotic Unit will be intensified with emphasis on investigative techniques.

Mr. President, I would just like to say something briefly on the prisons. On Saturday, the Prison Transport Programme was commissioned. I did not sign any contract on Saturday and the programme did not start on Saturday. The programme started on November 1, 1996. There was the formal commissioning, unlike Patna Village Police Post located in Diego Martin, which was a hollow commissioning. There was the real commissioning on Saturday where we saw the vehicles and staff who have already started dealing with prisoners and have been taking them to the courts.

Sen. Jagmohan: I hope the Minister did not like Patna Village for other reasons.

Brig. The Hon. J. Theodore: Not at all. Mr. President, I have already spoken to the Minister of Public Utilities to have the water connection made and the electrical system put in place. Some of the things that are happening at the Golden Grove Prison are the extension of the bakery roof, construction of stores and offices. They have constructed an infirmary which we will open in the new year. Repairs will also be done to the sewer system. Meters have been installed and a contract has been awarded for a closed-circuit security system.

After a visit to Tobago I discovered that the facilities there are below standard. There was also the problem of persons on remand being re-remanded to Trinidad and young people having to come to Trinidad. Two visits were made to sites in Tobago and it is expected that in the new year, in consultation with the Tobago House of Assembly, we will be given a site which, if it does not have buildings, is a site on which buildings can be constructed for a proper prison to be built in Tobago which will do away with this toing and froing from the island.

The prison service will also be developing its rehabilitation programme. There is a very good workshop. I remember Sen. Beckles asked about the new prison. Briefly, the new prison, as pointed out by the Minister of Works and Transport will be opened in the first quarter of this year. The problem with setting a date has to do with the method of occupation. There will be over 2,000 prisoners going there. They cannot all go at the same time.

A group of recruits passed out in early December. More recruits are starting next month. Rather than simply train people to have them sit there, one will find

that as the recruits are trained as prison officers, they will also have to be trained on the handling of the facilities. It is a totally electronic prison and it could be difficult to man if one is not properly acquainted with the procedures. Eight officers visited Miami where they have looked at a similar prison. We are quite happy. Right now, the only keep back is that the consultants are there and they are doing the electronic hookup and testing so we are at their mercy.

We have been promised total completion in the first quarter of 1997. While all the buildings are completed, we cannot use the prison because the regulations will not permit prisoners on the premises while work is going on and while contractors are there. So, this, maybe is the keep back.

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

Brig. The Hon. J. Theodore: Thank you, Mr. President. We need the Coast Guard to be a major part of the drug interdiction programme.

Sen. Jagmohan: They did not get anything.

Brig The Hon. J. Theodore: No, 1997 is their year. Talk to me in six months time.

Mr. President, we did say that we will concentrate on the police service. I am satisfied that the police service has reached a stage where they are not to be abandoned or ignored by any means, but where procedures are in place, and things will be happening to improve their efficiency. Again, over time, the coast guard has had several of their launches out of commission. It is a fact. I have received Cabinet's permission to invite tenders to fix eight launches and one of the fast patrol boats. A team in the ministry is presently inviting these tenders. My information is that during the first half of next year these vessels can be repaired and made sea-worthy.

The coast guard has been co-operating with the Customs and Excise Division which has received these go-fast boats but as one would appreciate, these are speed boats. They are not designed for patrolling. All the coast guard stations have alongside them, a customs centre: Cedros, Port of Spain, Scarborough, and Point Galeota. This co-operative effort is how we will handle the drug situation.

Mr. President, in closing, I agree with the statement made by Sen. Beckles, and I quote from the *Hansard*:

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“I would not get into the style of politics of saying who caused this and who did not cause this, 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 we have to address collectively. When we stop saying the PNM or the UNC caused it, we will collectively arrest the issue.”

It was never said the PNM caused crime, but they watched it develop. However, I agree with the hon. Senator that maybe, we ought to co-operate. I look forward at the co-operation of all the parties and with our community plan, of all the people of this country to arrest this problem of crime.

I thank you.

OATH OF ALLEGIANCE

Mr. President: Hon. Senators, earlier on in the proceedings it was agreed that the item “Oath of Allegiance of a new Senator” will be taken at a later stage of the proceedings. We will do that item now; I ask Senators to stand while the oath is being administered.

Sen. Dennis Nancoo took and subscribed the Oath of Allegiance as required by law.

APPROPRIATION BILL (BUDGET)

[Third Day]

1.40 p.m.

Sen. Diana Mahabir-Wyatt: Mr. President, I think that this has been really an interesting budget debate and I think it has been one of extremely high standard. I thank the people who have contributed to it, because I know I have learnt a lot on this budget debate. Some of the various views that have been expressed caused me to change my mind about certain things on which I had positions I was going to take, and I was glad about that because when that happens it means that I am learning something and that I am not just taking a fixed position on things.

I compliment the Minister of Finance for his production of a budget which touches on so many different areas of concern in the country and does so in way that is lucid, and it is discernible. I particularly commend the *Medium Term Policy Framework* which I think is a very balanced, sensible and as humane a document as this kind of document can ever get. Not that I think that medium term policy

frameworks are always humane, but I think that when this Government says that its philosophy is to be a “people-oriented” one, leading towards “social stabilization and sustainable income growth to be shared by all our people”, this is an admirable philosophy on which to base a budget and it is one with which I personally agree. I am sure that everybody in this honourable Chamber does.

Unfortunately, I do not think the budget that we are debating today, in fact always leads us into an implementation of that philosophy. I think there are certain areas in which this budget leads us away from it. I am more concerned with the fiscal policy than with the actual measures in the budget itself, where a payment for a licence is revoked one year, to be brought back the year after and it frequently is. I am not really concerned with little jiggling abouts like that. I think they just buy a few votes here, lose a few there. I do not really want to get concerned with that.

Even though it does touch on a general policy, I am not really going to enter very deeply into the argument over casinos, even after Sen. St. Cyr’s very stirring address on the subject, which I thought about very seriously. I think when you are looking, that history has shown us that whenever people get into positions of leadership and power in a country, there are always going to be other people who are going to try to corrupt those people, whether you have casinos or you do not have casinos. I personally am very unhappy with any automatic equation between gambling and corruption and the decline of spiritual life and morals in the country. I think spirituality deals with things an awful lot more important than whether or not somebody plays stud poker. Personally, I know that nature hiking is far more healthy for people than casino gambling. I personally would rather see our very limited tourism marketing dollars spent in Trinidad and Tobago as an eco-tourism spot than in some place where you can gamble, especially since I took a look at the study yesterday that was done by the Barbados government on the effects of casino gambling in the Caribbean. I realize that tourists do not come for casinos anyway. Ninety per cent of them would use the casinos if they are available, but that is not why they are attracted to a tourist destination.

I am not much of a gambler myself. In fact, when I picked up the *Fiscal Measures*, and I saw something called sip san, it was something I had never heard of before. What on earth is a sip san table which is going to cost \$50, 000 per annum? Whatever sip san is, I regard gambling as one of the minor vices and I do not think it is more likely to lead strong men into perdition anymore than playing the stock market is going to, or betting on horses. While I respect those men of the

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cloth whose job it is to protect us from even minor vices, if we have to get into this whole thing about casinos at all, the only thing I would like to say on it is if you are going to do it, why can a percentage of the profits that come from this, not be put towards arts and charities? I second Sen. Daly's point that if we are going to have casino gambling in this country, in order to prevent the money laundering that can follow, that all casinos be forced to become public companies so that the Government can monitor their incomings or outgoings.

Mr. President, the only four areas that I want to address in this budget are poverty, gender, education, and crime. While I separate these in my general introduction, I realized while I was reading the budget statement itself, that there is no way you could really separate these four items, so I am going to mix them up.

I have heard promises in every budget over the last nine or ten years—since the 1960s, when I first started listening seriously to budgets, that is about 30 years—on each of these four areas and I have problems sometimes in making a distinction between the substance and the shadow. Every time I hear a budget address which is followed up with a report of the economy I get into a T.S. Eliott mode and I am looking to see what is reality and what is shadow.

Just for practice, I went back over the last eight budgets that were presented in this House in the last eight years since I have been here, just to see in what way this budget was different from the others, in what direction it was going to take us.

A budget basically presents the values of a government, the values in relation to what works, what does not work, what it wants, whose work it values, whose work it does not value, among other things, and whose work is going to be rewarded. It is a reflection of not only where the Government wants to go from a fiscal point of view, but also in terms of something below that, its philosophy. As I say, the values it has.

Incidentally, when it comes to counting whose values it rewards, I note that although in the Prime Minister's speech to the Fifth Meeting of Commonwealth Ministers responsible for Women's Affairs, he said:

“During our first year in office, we have passed a number of critical pieces of legislation to improve the administration of justice and to protect the rights of the vulnerable including the recently passed Act on Unremunerated Work of Women and Men.”

which the hon. Minister of Community Development, Culture and Women's Affairs kindly pointed out to us had been assented to on October 10, 1996. I note that I did not see any provision in this budget whatsoever, to implement that piece of legislation. In other words, one of the things it said had to be done was to take household surveys. I realize this is only once in every three years, but in order to do that, there had to be a certain type of budgetary allocation. I realize that we still have two years in which this can be put into effect and I am hoping very much that this will not be like the National Trust Act. We have to wait year after year for its implementation. I am trusting that next year's budget will have something to do with this.

I am saying this not just because of my personal interest, but there is another statement made by the Prime Minister in which he said: "We have embarked on an active policy of gender main-streaming in Trinidad and Tobago" and one of the tenets of this policy is "The training of technocrats to formulate and implement this policy shift, the premise being that macro-economic as well as intersectoral policies must be gender-based." I am going to come back to this several times during the course of my address, because I am really talking about the 1998 Budget more than I am talking about the 1997 Budget. It is policy direction I am concerned about. To implement those household surveys, the statistical counting of work is essential in order to put this policy into effect.

1.50 p.m.

Budgets are full policy statements. Mr. President, if you would bear with me for a few minutes I would like to share some of my observations in going back through various budget speeches and let you draw your own conclusions. In 1989, Mr. A. N. R. Robinson read the budget speech. Amongst other things he talked about fairness and equity. He said that protection was provided for the weakest and most defenceless members of the society. He also spoke about self-sufficiency in food; a climate conducive to entrepreneurship; the distribution of benefits of economic growth; the provision of adequate levels of productive employment which he was going to do through the LID Programme; agriculture access roads; strengthening agricultural marketing; fishing activities and public service reform.

In 1990, Mr. Selby Wilson said that the government was concerned with the weakest and most vulnerable members of the society and that they would not be left unprotected. His government's policy to do this was to create employment through LID Programme; construction; tourism in Tobago and YTEPP, whose graduates have between an 8—10 per cent employment rate.

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In 1991, it was Mr. Selby Wilson again. His government's policies were to enhance and promote the welfare of people in this country; put safety nets into place to protect the low income groups, the unemployed and the vulnerable groups in the society. He was going to do this via the school feeding programme; helping old aged pensioners; food subsidies; social assistance and increasing employment via construction, agriculture, plantation revitalization and assistance to the non-governmental organizations. These things were also reflected in the *Medium Term Policy Framework* which was brought out by his Government.

In 1992, he went on to the welfare of the people which was of prime consideration to his Government and expressed concern for the more vulnerable members of the community such as old aged pensioners, unemployed youths and low income houses headed by women. I think this is the first year that social policy identified the reality of low income houses headed by women. The number of those households has grown over the interim period of time. Help was going to be had through sustainable economic growth and restoration of foreign exchange reserves. The question of unemployment was going to be tackled through the construction industry, restructuring LID, agriculture and food processing.

Mr. President, if I start to sound repetitive I hope you would forgive me. I am talking about the facts from what is there. In 1993, it was Mr. Wendell Mottley. He said that they wanted a society of which they can be truly proud; to raise their children without fear and with a sense of community, which has long been a tradition in this country. He also talked about sustainable growth; fiscal discipline; stabilization of foreign exchange rates; institution of adequate protection for the more vulnerable and disadvantaged groups in the society, and of course, employment programmes targeting women and young people. This was to come via the construction industry, LIDP; YTEPP and tourism. Apart from that there was a small increase in old age pension and aided self-help.

If one went over the documents for this year, it is beginning to sound very familiar. In 1994, the Minister of Finance said that the Government was determined to make improvement in the quality of life of citizens in the country in the reduction of unemployment and poverty. Employment was going to be provided via the construction industry, tourism and agriculture. The rest was referred in recommendations in that very thoughtful and incisive MacIntyre Report, which seems to have been sunk without a trace for the meantime.

For 1995, it was more of the same. Last year the then Minister of Finance told us that his Government's goal was to develop a country of national unity, with an

economy which would generate growth with equity for all the partners, and create employment opportunities that would enable the people to believe in themselves, and have faith in their future. He said that it was going to be done, among other things, by reducing inflation, increasing foreign reserves, stabilizing exchange rates, delivering an effective level of social services—which I think everybody agrees needs to be done—and providing employment opportunities. He promised that future budgets would stay the course.

All these words are very impressive, if somewhat similar. What we look for is what way, if at all, these measures have been implemented during the course of the year, and if at all, the implementation comes about. Last year the promise was “to stay the course” and “ensure that people were going to believe in themselves and have faith in the future”, which is part of the medium term economic policy. To my mind, this has not been sustained by the measures dealing with the removal of tax allowances on mortgage interest and annuity, or the \$18,000 cap.

This means that people who had planned their future—especially those of us who are getting on in life—based on certain monetary, fiscal policy, promised measures can no longer sustain those. Having planned one’s future and retirement with certain income and expenditure ongoing in mind, and the way in which one would approach this, it means that many persons are going to lose the value of what was in their annuities. I am not saying this because somebody told me to say it, or it is speculation. Over the last two weeks, since this budget started, I have been told by a number of persons during this festive season—because we are mixing around very much and talking about, amongst other things, the budget—that they have already cancelled their annuities and invested the money outside the country. This worries me because all the warnings we heard from Senators Montano, Marshall and Mahabir, among others, in this honourable Senate were not just words. People are actually doing it. I am not saying that I have spoken to the majority of people in this country.

One of the other things which has disturbed me is that our Caribbean neighbours from Jamaica have pointed out that similar measures in Jamaica over the past couple years have resulted in the drying up of mortgage financing available in that country, which has also led to a drop in real estate values. In Jamaica, this is the second time the bottom has dropped out of the real estate market. For thousands of self-employed persons like myself, deferred annuities and mortgage payments are the major sources of investment for retirement. These people are

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being affected by the provisions which were introduced last year by this Government.

Last year in the budget speech we were told that we must begin to believe in ourselves and have faith in the future. I understand the philosophy on which the Minister is basing his provisions. I would come back to that. For most of the people in this country who are in that bracket, that \$18,000 would be very serious. I know the argument that if two unmarried persons are both working, it can be taken twice. In this country, roughly one-third of households are single-headed females; another third, roughly, by single men who live alone, and the other third has the man and spouse configuration. This has to be taken into consideration when making economic policy.

I am glad that Sen. John is here. I am sorry to see that Sen. Cabrera is not with us, but at least Sen. Jagmohan can indicate perhaps at break time, why the strange phenomenon has occurred. I noticed that as this measure comes into effect many hours of negotiation between companies and trade unions in relation to housing and pension schemes have now gone out the window, apparently with the consent of the trade union movement. I have not heard any howls or protests from any quarter of the trade union movement. They seem to have accepted it. I am very concerned. I cannot hear the trade union voices, I do not know who is speaking for the persons who are affected by this.

2.00 p.m.

I listened to Sen. Hamel-Smith with a great deal of interest, to Sen. Montano and Senators Marshall and Mahabir, and somewhere in the middle of all this, people were giving me figures and I started to remember a book which I used as a textbook when I was teaching at the University of the West Indies called *How to Lie with Statistics*. Do you remember that one?

Hon. Senator: *Lies, Damn Lies and Statistics.*

Sen. D. Mahabir-Wyatt: I am sorry. *Lies, Damn Lies and Statistics.* Forgive me, Mr. President, it is a long time since I taught at the university. I do not mean for a minute that I think any of these gentlemen are lying because I know they are all very genuine in how they are looking at the statistics, and how they are using them. It occurred to me that when one bases policies on certain statistical measures, and we all know that as with quoting the *Bible*, which anyone can do to justify practically anything one wants to justify—and we have seen people do

this—quoting statistics can be used in a similar way. By saying that—and I believe that the figures are correct—if the average mortgage interest deduction is \$8,000 and the average annuity deduction is \$3,000 or *vice versa*, I am wondering why we use the average and not the mesne because as we know, a small number of very low figures can completely skew what those figures are and if one looks at a mesne or a weighted mesne, it could give a far—

Hon. Senator: Medial.

Sen. D. Mahabir-Wyatt: If I say media everyone may think I am referring to the press.

Hon. Senator: Medial, m-e-d-i-a-l.

Sen. D. Mahabir-Wyatt: The medial is important too but I also want to know what the mesne is in relation to certain different groups like single-headed female households, single-headed male households and households of different numbers. It is not enough to have the average, one also has to have the medial so that one can see how it is going to affect different sectors of the society. To me, just working on an average is not going to help and I hope that during the course of this year—

Sen. John: In quoting all the figures, we know of the number of workers who would be able to claim interest of the maximum of \$18,000. Is there anyone you are aware of who would be able to claim higher than that?

Sen. D. Mahabir-Wyatt: Yes I do. I think you have to be aware Sen. John, that the \$18,000 includes both the annuity and the interest. It is the combination of the two. I am talking about house mortgages and interest on such things as pensions, NIS and so forth. It comes up to \$165,000 in terms of what one's basic is, and in many housing schemes—and I am sure you are aware of them—people do in fact, pay a combination of more than \$18,000 in relation to these two things.

However, I am just hoping that the statistical people will keep an eye on this over the next six months or year, so that it can be looked at again to see how it is going to affect different sectors in the population. I am very concerned about capital flow out of the country and how it might affect different vulnerable groups within the country. I am sure it is not beyond the powers of the Minister of Finance to adjust things so that those who are hardest hit and are most vulnerable, will not be so hit and to do it on the basis of statistics which are specific to groups.

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Mr. President, as I understand it, the budget is based on two philosophical points: the first is to simplify the tax system, and I can understand why the Minister wants to do that; and the second is to return to individual persons the decisions of how they are going to dispose of their incomes and to provide for their own futures. I think that the decision to remove the tax allowance that is given to individuals who give deeds of covenant to the charities, and to replace it with the allocation in the Ministry of Social Development is probably trying to help in situations where certain charitable organizations will result in hardships, mainly religious organizations.

It seems to me that this would mean that NGOs would have to apply to the Minister and fill certain criteria, instead of giving greater decision-making to people to determine their own futures. This is operating directly contrary to that philosophy and I find it is strange that it would find itself in this budget. I am very grateful, incidentally, that companies that have given deeds of covenant can still maintain their tax allowance in relation to this, because for most registered charities, it is companies that provide those deeds of covenant. I just want to let the Minister know, as she obviously did not understand, that it is extremely difficult for companies to abuse a deed of covenant which goes to a registered charity since both the registered charity and the companies are required to have their books audited and the auditors do note these things with magnifying glasses. The Minister did say in her statement that she did not really mean to suggest that NGOs were being abusive on this, but she did say that companies were. I assure her that it is, in fact, very difficult to do, and very easy to detect.

While I am on that, let me make a few comments on the contribution which was made by the hon. Minister of Community Development, Culture and Women's Affairs. There were a number of points which she made that relate to these philosophical points and, in fact, they were worthwhile commenting on.

The first one has to do with service and support to NGOs. She said that the policy of this Government is to work with and through NGOs and to support their work. This provision of the deed of covenant is in fact—while a provision has been made for a \$10 million—on the borderline. I agree that this support is part of the medium term policy framework which has yet to be done, with the greatest respect to the Minister. We have found, very often in working with her ministry that it does not happen, and I realize, in many cases, that this is because her ministry is under-resourced and under-staffed. When I referred to the Prime Minister speaking

at the opening ceremony of the 5th Meeting of Commonwealth Ministers responsible for Women's Affairs, it was notable at that meeting that Trinidad and Tobago was one of the few countries that did not have NGOs on its delegation, which is not strengthening the bond between NGOs and ministries, but splitting them up.

2.10 p.m.

Sen. Phillips: Mr. President, I just want to correct a statement made. At the 5th Meeting of Commonwealth Ministers responsible for Women's Affairs, there were about two delegations that had NGOs on their official—in fact, I have a list of those who attended and they were not listed as NGOs, they were listed as officers in various areas related to women's affairs or gender issues. There was an official NGO presence through the Commonwealth Women's NGO Movement on the committee and parallel to the conference there was an NGO meeting, which this Minister opened. That meeting had our blessing and collaboration and there was continuous caucus between that meeting and the NGO person on the Commonwealth meeting. However, official NGO presence at the Commonwealth Meeting was very restricted. In fact, I think it was perhaps only two or three delegations out of the 42 or so that were present. Certainly Trinidad and Tobago participated in the meeting at the NGO level, representing the Commonwealth NGO.

Sen. D. Mahabir-Wyatt: Mr. President, I do not want to dwell on this too much. I was also there, and a number of the delegations did put NGOs on as observers or officers of one thing or another in the same way that Trinidad and Tobago did when it sent an official delegation to the Beijing Conference. It included NGOs as part of its delegation.

One of the things which I want to comment on is the numbers which the Minister gave in her address to the graduates in skill training, which is consistent with what is on page 35 of the *Medium Term Policy Framework*, which has to do with gender equity:

“Provide relief to the vulnerable and disadvantaged, especially the female-headed households, while enhancing their ability to exert control over their lives. Self-employment will be promoted through the opportunities for training...”

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In 1996, the Minister said that the number of graduates in skill training after one year was 536, and that the number of persons who have graduated, no longer needed nutrition and could now support themselves was 10. Ten out of 536 is not an enormous record when one considers that there are 80,000 unemployed women in Trinidad and Tobago. I am not in any way blaming the ministry for this. This is not the ministry's fault. This is part of a whole conceptual approach which we have taken in this country over the years towards creation of employment for women. I tried to touch on this when I was talking about the previous budget.

There are things which have been of considerable help. The Minister referred to the Self-Help Commission on which I served for 10 years until she fired me by press release, but which has been of considerable help in a number of communities. It is an excellent programme, which I think deserves as much support as it can possibly get from this Government and from future governments because it has made a substantial difference in people's lives in rural areas. She also referred to the Geriatric/Adolescent Partnership Programme, which is also an excellent programme and should be supported even more so than it is. Sen. Prof. Kenny made a comment about elderly people to which I would like to come back. This is one programme which has a potential for helping the elderly.

She also commented on the National Trust Act, saying that they tried to implement the Act by putting a board in place, but found a fundamental flaw in the Act which is largely in the creation of the board itself. Now, this has been under discussion for five or six years and that bit of legislation has been examined and re-examined, and the question comes back to the relationship with NGOs because the only flaw that we have been told about in the NGO community—and I am not one of those who are involved in any way with the National Trust—is that there are too many NGOs on the board. If this is the objection, this is not in accordance with the philosophy that was set up in the medium term economic policy.

I would just like to make one last point on the Minister's statement that the promotion of the principle of gender means training and all policies and plans of the Ministry. I commend her on that. I think this is very, very important. I agree that if she can get her colleagues to change the name of the Ministry to the Ministry of Gender Affairs, I think she can possibly get them to pay more attention to the importance of it. I would like to speak on this a little further on because I think it is extremely important, conceptually, how we go about it.

Mr. President, I am not against the general macro-economic framework of this budget. I think it is extremely important. I think it was developed to bring us into the international money market back in 1987/88 and I think it is very commendable that the Government is following along this way. I think it is a policy for stability. I think slowly we are getting back into economic stability and the international money market is far stronger than any single developing country government. Those who are critical on the basis that we should have fiscal and economic autonomy or be self-determining are not realistic. No country this size can be. It is just a fact of life that we have to operate within the constraints of international financial markets, and I think that we have done extremely well in that respect. I think that in order to get greater self-determination, we have to make stronger links with the Caribbean, and especially with Latin American countries, so that we have the strength to influence policy.

Like everyone else I am very concerned when it comes to the financial pressures put on developing countries to go along with certain First World country policies—which no one likes being blackmailed by—but we have to be realistic about the world in which we live. I am hoping that within our own resources, while we have to be realistic about how we deal with external markets, all we can really do is to determine how we allocate what we have internally.

I really do not envy the Minister of Finance in having to do this fine juggling act every year. It is not one which I would want in any way to take on, but I do believe that to do so, one of the things which we ought to do is to make sure that domestic savings are increased and stabilized, and we do have a large growth of domestic savings.

I would like to go back to the comments made by Sen. Marshall in this regard. I know I do not have to repeat them for the benefit of the Minister, but he was saying that when it comes to long-term policies in relation to savings, it is worth taking into account. Some of the figures he gave us were certainly not figures that I had seen in that way before. The importance of industrial and development policies demands, as far as I am concerned, a relative exchange control stability. Sen. Marshall was telling us that the economic recovery that we have been going through is more apparent than real and the dangers of capital flight are perhaps more real than apparent. I hope that the Minister will monitor this situation very closely over the next six months to see how it pans out. It has a great deal of effect

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on the other three things on which I wish to speak—crime, poverty and gender issues.

I realize that when it comes to the matter of deeds of covenant, there were a number of individuals who used to abuse that provision for income tax reasons and I am glad that the Minister has plugged that loophole. I just hope that another government will not say it will not give this \$10 million to offset it. This is one of the problems of playing around with the edges of policy.

2.20 p.m.

Mr. President, when it comes to poverty there are two statistical indicators which are consistent throughout developing countries. On all demographic scales where one talks about housing, income, employment, social security, health or welfare, the two groups which are always at the bottom of any demographic scale are the elderly and women. This statement is as true in studies done last year in Trinidad and Tobago by Dr. Henry and the one done by the Ministry of Social Development on the Determination and Measurement of Poverty in Trinidad Tobago. The measures are consistent all the way through this document.

While I recognize that the Minister of Finance would very much have liked to allocate a greater sum to pensioners, this document defines poverty as \$632 per month per person. However, to have set our levels for old age pensioners below that must be very distressing to the Minister, as it is to all of us. Therefore, in order to offset this I think we should look into Sen. Kenny's recommendation: that we do something about the cost of drugs for old age pensioners where the cost of drugs and the availability of medical care for old age pensioners is an extremely difficult issue.

I think that apart from illness protection, we should increase the allocation for old age pensioners. I wonder if the Ministry of Social Development, or whoever is responsible, could generate some kind of assistance to ensure that old people actually get the money that is allocated to them in these cheques. We get reports of much abuse in this area where younger relatives or other people in the family cash the cheques on the old age pensioners' behalf but they never get the money. I consider this fraud and it is an area in which the Minister of National Security could, perhaps, take a look. Mr. President, it is a serious matter because our elderly people do not deserve this kind of abuse.

This Government got into power partly on a crime platform and while the Minister of National Security has talked about various things that are going to be done to the police, I remind everybody that Servol is probably the one single organization in this country which is most responsible for keeping down crime and maintaining stability amongst the underprivileged adolescents in that very high risk age group of 14 to 21 years. The Commissioner of Police has told us that this age group makes up the majority of persons before the Magistrates' Court.

Servol does this work in conjunction with the Ministry of Education and the communities; this is not something that it does on its own. There are Adolescent Programme Centres and Servol involves high-risk youths in training for life. Servol is not just involved in training for a skill, it is training for life; how youths must deal with themselves with regard to self-esteem and relationships with their communities.

Servol has also set up—let me emphasize—at its own cost, three high-tech computer training centres for dropouts in Barataria, Chaguanas and La Romain. This is not being done at this level for this high-risk group anywhere else in the country. The Government also depends on Servol to run junior life centres for 14-year-old school-leavers who have nowhere else to go.

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. D. Mahabir-Wyatt: Thank you, Mr. President. I also thank my colleagues for their indulgence.

I was trying to point out that Servol has been doing this work for the country for many years, particularly with the underprivileged young people who are in the high-risk-area. Mr. President, in 1991, the then government—and I am not going to remind Senators about the nice words that were in the budget speech at that time—slashed Servol's allocation for teachers in the Adolescents Development Programme by 50 per cent, severely limiting its ability to help people develop in this area. Whilst a fraction of this was returned, ever since then Servol has been asked by Government and the communities to do more and young adolescents say, "please help us, we need more help throughout the country".

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Servol has had to operate on a 35 per cent reduced budget allocation. It cannot pay its teachers. It cannot do the things it is now being asked to do. Mr. President, through you, I want to beg the Minister to consider providing the increase for just the amount which was taken away in the 1991 budget. It is not a large sum of money compared to what it saves the country in terms of fighting crime, education and social benefits. Without that increased allocation, I do not think Servol can continue to keep its teachers, because they do not get paid at TTUTA's rates, they get paid at something like \$1,400 to \$1,600 per month, but they do not march, they continue to work. Surely, Mr. President, returning this money to Servol would be consistent with the measures in the *Medium Term Policy Framework* document and the policy on which that document is based. This is one of the successful programmes that this Government has run and it does things that the policy and the philosophy claim that it wants to do.

Mr. President, this world is undergoing a social and economic revolution of which we are all aware, and which we refer to as the knowledge revolution. The speed with which it is making old technologies and old skills, and in many cases, old people obsolete, is enormous. However, even the most diehard of labour economists have now come around to the view that the one way in which one is going to fight poverty is that one has to have higher skills training, higher education, higher income. Better human capital means, better productivity and an end to poverty.

If we are serious about ending poverty in this country, we have to jump into the kind of knowledge revolution and we have to make it available to the poor and the unemployed; we cannot just keep it for the elite in the country.

There is a paper which came out in the *Journal of International Trade and Economic Development* by G. Chichilnisky in September, 1996. I quote:

“We know that in today's industrial world unemployment means poverty, and lack of education means unemployment. In the developing world standard resource-intensive development policies have left a legacy of failure,...”

I repeat:

“...standard resource-intensive development policies have left a legacy of failure, disappointment and often anger. India, the Philippines, and even Barbados are at the forefront of a new wave of economic development which updates the Southeast Asian model to the world of the knowledge revolution.”

Barbados has one computer per 10 students. Trinidad and Tobago very often has one computer per school, except where the most disadvantaged are in the Servol high-tech centres. If Servol could, in three years, produce these high-tech centres, surely it is something at which we can start to look in re-orienting our education policy.

2.30 p.m.

Mr. President, in the few minutes I have left I want to talk about the mainstreaming of domestic violence and gender issues. I am going to bring a motion later this year in terms of what it means to be mainstreaming.

When one talks about the need to help the most vulnerable in the society—and women are in the most vulnerable group—and when one looks through the years at the policies and measures which had been taken to help women in employment, one comes across, over and over again, construction and URP but very few women are employed in these areas. Governments successively keep saying they want to help women become employed but they do not do anything about it. They create employment in agriculture where women have traditionally worked. While the concept is good, it does not work, because the actual measures put in are for male unemployed not for male and female unemployed.

There is a chance in this budget. The Minister had said that for those employed in trade, after the beginning of the New Year there will be a 200 per cent allowance of salary. The welfare sector is a very sensitive sector and the inter-relationship of economic and social policies can be very clearly defined. If the Government defines a home-care worker; a housekeeper; somebody who cares for the elderly; somebody who cares for children as somebody with a trade, and allows households to claim this allowance because this person has a trade, immediately a plus is created and that is added to changing the Minimum Wages Order, so that women who do that kind of work can get a decent salary, and you immediately supply employment for many, many women in that sector freeing up a number of other women to go into the formal sector. So far, all the Government employment programmes for women have been either training them so that 10 out of 536 get jobs, or 12 out of 5,000 get jobs on LIDP or in the construction industry. Nothing significantly has been done for women. If you want to streamline gender awareness into employment contracts then you have to put gender equity contract clauses into construction contracts—and I can just see everybody's eyebrows reaching the top of their heads, just mentioning it. But you have to have a strategic conceptual change in order to achieve this.

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Through our last three governments, the economic policies have been focussed on supporting the formal sector, highly capital intensive, channelling money into sectors of the economy which are dominated by male employment and very little has been done in terms of female employment.

Mr. President, just to conclude, I would like to make a comment about the whole question of domestic violence because, again, I am talking about policy here. We all know that domestic violence is not exclusively, but is mainly directed towards women, and every government that we have had has bemoaned the increase in domestic violence. Take a look at this budget. Like all the others before, over the last eight years, there is no fiscal policy; there is nothing in relation to the judicial system for the setting up of a family court; there is nothing in any of the budgetary provisions for providing those counsellors which the Domestic Violence Act says, are supposed to be referred to, once somebody has been through the procedure for obtaining a protection order. At the moment, poor, overworked probation officers have to do work and counselling for which they are not trained. There is no establishment. Twice we have been told that the police headquarters is going to have domestic violence units set up—which should have a headquarters and in virtually all major branch stations—but we have not heard anything about this.

There are a number of areas in domestic violence where we need policy measures and I am not just talking about little measures; I am not just talking about little programmes added on to pacify women. I am talking about mainstream programmes in an area like health. The health facilities are not required to keep statistics on domestic violence incidents.

With respect to housing, for years and years I keep arguing that public housing should take into account, victims of domestic violence and those who are ejected from their homes for domestic reasons. If they are women and children, nothing happens.

With respect to police training, the hon. Minister talked about training for police officers, but I know that there was a training programme put on by the Division of Sport and Culture and Women's Affairs in relation to sensitization for domestic violence. But to train what? Maybe, 85 out of 4,000 police officers? Dealing with domestic violence should be on the police college training programme for the recruits he talked about; for the First and Second Division officers he talked about. The ministry has established a hotline which operates—and the Minister said it takes 200 calls per week—alongside three other

hotlines but that is one small programme to deal with domestic violence. That is not taking it into a policy consideration.

Legal aid still is not available for victims of domestic violence. It is not the Director of Public Prosecution's fault if the legislation needs amending. Budget after budget goes by and women continue to die; children continue to die, and like other gender-sensitive areas, domestic violence programmes have to be dealt with in the mainstream programmes. I appeal to the Minister of Finance, when he is drawing up his 1998 budget to start thinking in terms of gender awareness matters away from mainstream programmes.

Mr. President, in closing, I would just like to add my voice to that of Sen. Marshall in talking about the need to address a difference in the performance and the monitoring of budgets. I think that we have been long past the time when we should be putting out budgets and having to go through these agonizing hours of debate. If we could get a performance report from each ministry twice a year, and have a monitoring, updating, performance check system with a reallocation of resources along the lines of what Sen. Marshall has recommended, what more do you need? He had said that on at least three occasions at quarterly intervals, the Minister and his team from the Ministry of Finance should meet with Senators and provide us with the detailed progress on revenue collection and expenditure reallocation. I would not go as far as Sen. Marshall, but I would think, at least twice a year, before we get to the budget debate so that we can concentrate the budget debate, not on individual measures or whether we should do this licence on cars, or not license cars, but we could start to make a contribution that is meaningful to fiscal policy which reflects our social, economic and developmental aspirations in the country.

Thank you, Mr. President.

Sen. Nafeesa Mohammed: Mr. President, I take this opportunity to congratulate our hon. Minister of Finance for still being around to present this, his second budget. God has certainly been kind to him and indeed to his administration, and I have to wonder whether he would still be around for 1998, because when I read this morning's headline of the *Trinidad Guardian*, I became very worried. It says:

“Pocock has been having talks with Minister of Finance Brian Kuei Tung and Ishwar Galbaransingh...”

It is there for everyone to read, Mr. President.

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I became very worried too, when today I sat here and heard our Brig. The Hon. Joseph Theodore speak like a politician. It is unfortunate that our Minister of National Security has now become a full-fledged politician. *[Desk thumping]* Much of his presentation was focussed on laying blame. Crime is an issue about which we are all concerned. It transcends all political barriers; it is a very serious matter. We, in the People's National Movement are indeed very concerned about the crime situation and I was very disheartened a while ago to see a story on today's *Newsday* on page 16 which says: "96, the year that was—Year of horrific crimes." It is a story by crime reporter Nalinee Seelal and it outlines all the horrendous crimes that have taken place for this year. It continues:

"The horrible murders continued in May, when blind grandmother Elsina Ragbir of Carapo was raped and murdered at her humble wooden shack.

On May 15, officers of the Port of Spain Division were called out to maintain law and order, after about 35 URP workers went on a rampage. They looted clothes, jewelry and anything they could get their hands on, after they failed to secure a meeting with Minister of Works Sadiq Baksh.

Murder was the order of the day on May 17,..."

"In Couva, two nuns on their way to San Fernando received injuries when a brick was thrown at the car they were travelling in.

On July 2, residents of Morvant woke up to discover that two bodies were dumped in their area.

July was definitely the month of news as two days after the murder of Dhanraj, a 41 year old man was mauled by pitbulls and died at the Port of Spain General Hospital.

Then well known San Juan businessman, Wayne Piralli was abducted outside a house in Caroni...

Guy Savary was discovered on the banks of the Caura River."

And it goes on to Christmas Eve night when a 63-year-old man of Santa Cruz was chopped to death.

2.40 p.m.

Mr. President, what this shows is that the crime situation is indeed very serious. The UNC/NAR coalition went on the platforms in 1995 and promised to tackle this crime situation head-on. We heard in the 1996 Budget presentation by the hon. Minister of Finance that there would be a task force on crime, and during

the early part of this year, I distinctly recall seeing our hon. Prime Minister meeting with experts in the field, Dr. Ramesh Deosaran and others, and there was talk of a crime plan.

Today we heard the hon. Minister of National Security making excuses and looking for red herrings and smoke screens. He should have been telling us what steps have been taken; what is the crime plan; what has the task force come up with, and what they are doing to implement these plans. Instead, he said 1996 was a year of discovery. Well, we take it 1997 is going to be another year when they are going to come up with plans, and we wait with bated breath to see when they will really start tackling the issues of the day. It is very unfortunate indeed.

The hon. Minister went further to be very critical of the former administration and the efforts that were made by the San Juan Businessmen's Association in the days when the PNM was in government, to build a police post on the Eastern Main Road. I am from Barataria/San Juan and I know that those efforts were done in collaboration with the Member of Parliament for the area, Dr. Linda Baboolal and, indeed, the then Minister of National Security. So it is erroneous for him to come here and condemn the efforts that were made by these very hardworking businessmen of the Barataria/San Juan area. Mr. President, crime continues and we look forward, hon. Minister, in 1997 to some real action and not "old talk."

You know, just recently, I came upon a very interesting book. It is called, *Basdeo Panday: An Enigma Answered*. I could not help noting a particular part of this book. It is page 71. This is our hon. Prime Minister, "An Enigma Answered". In 1991 he was responding to the 1991 Budget which he labelled, "Putting the People Last:"

"We, in the UNC, start from the premise that all development is about people. People must be the central focus of our attention; their welfare and their sustained well-being the object of all political activity. And it is precisely because the Budget puts the people last, and not first, that it must be adjudged to be irrelevant, inappropriate and downright unacceptable. It is these unacceptable characteristics that have led so many of our people to believe that our sovereignty has been ceded to the international financial institutions based in Washington.

A Budget is not simply a matter of balancing income with expenditure, or having a favourable balance of trade, or a surplus on balance of payments or

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figures relating to the GDP, the GNP and the fiscal deficit—important as these things may be.

There are several countries in the modern world...where the national accounting figures show considerable growth while at the same time, the masses of the people are getting poorer and poorer; where one sees the strange phenomenon of growth taking place side by side with mass unemployment, rising prices and mass destitution and suffering. It is called ‘growth without development’.

The Budget is about people, the men, women and children, who make up our Society; the hopes, fears and aspirations of our youth. That is what a Budget is all about.”

Mr. President, this is the second budget being presented by the Government that is headed by the hon. Mr. Basdeo Panday. I would like to relabel this book, Basdeo Panday: An Enigma Unanswered, because I am submitting to you that this 1997 Budget certainly puts the people last. I deem it to be not only irrelevant, inappropriate, and unacceptable, but also deceptive, cosmetic, contradictory and without vision. [*Desk thumping*] They certainly seem to be taking us down a “slippery, slimy slope” as our honourable colleague said.

At the beginning of his budget statement, the hon. Minister says:

“In our 1996 Budget, we said we would put people at the centre of all our 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.”

I wonder who were those people put at the centre of economic growth, and I have to wonder about this concept of a total quality nation. According to Lloyd Best in one of the newspapers that I read some days ago, “It is really Total Quality Stupidness.”

Now, I would not be so unkind to the hon. Minister to condemn every single thing in the budget. Certainly, I welcome the measure to increase the old age pensions. I think last Friday Sen. Barbara Gray-Burke was very graphic in her description in terms of how the people in her area reacted. I have a 90-year-old grandmother, and I am very happy indeed that she is getting an increase in her pension, but this budget, in my view, Mr. President, is worse than a one-armed

bandit budget; it is a two-armed bandit budget, because it gives with one hand and it grabs with the other hand.

We heard the hon. Minister speak about simplifying the tax code and I suppose, to an extent, this is something to be lauded, but there are several other measures that are certainly contradictory with the objectives that are stated by the hon. Minister. Can you imagine he is talking about simplifying the system and yet after the public outcry, realizing that the budget really does not cater to the needs of people, he came whilst the budget was being debated in the Lower House and announced that \$10 million would be given to the NGOs. Certainly, it is a welcome move, but again, what it means is that these NGOs now have to go begging the hon. Minister of Finance, cap in hand, in order to get a little part of that grant. It is rather contradictory.

We all know that over the past few years in Trinidad and Tobago, as indeed in several other Caribbean territories, we have been undergoing structural adjustment programmes. It is clear, as our hon. Independent Sen. Dr. Mahabir pointed out, there are some aspects in terms of the macro economic indicators in the budget that are indeed welcome to see that he is continuing along a particular path, but there are certainly some aspects about which we must express our concerns. For example, what about the exchange rate's instability and, of course, the question of high price rates?

You know, in looking at the *1995 Review of the Economy* and comparing it with the *1996 Review of the Economy*, I could not help noticing a certain change in the language that is being used. In 1995, at page 19 of the *Review of the Economy*, under the heading, "Interest Rates," it was stated that:

"For the first time in several years, domestic lending rates tended downwards in 1995."

Then, under "Exchange Rate Developments" it says:

"The Trinidad and Tobago dollar displayed relative stability in 1995, following the liberalization of the currency in April 1993."

But when we look at 1996, at page 31 of the *Review of the Economy*, listen to the language that is being used:

"Against a back drop of relatively easy liquidity conditions, domestic lending rates moved downwards in 1995 for the first time in several years. This was not sustained in 1996, however, given a tightening of financial conditions

engendered by the intensified efforts of the monetary authorities to soak up excess liquidity and abate the growing pressure on the exchange rate. In the circumstances, domestic lending rates edged upwards...”

2.50 p.m.

In recent times we have been fortunate to hear one or two banks announcing that interest rates would be reduced. In one particular case I distinctly recall hearing a gentleman in charge of a particular bank saying that the reduction would be in relation to corporate and commercial clients only. As an ordinary person with a mortgage, just a month ago I received a notice informing me that in my bank I have to pay an increased interest rate for my mortgage.

So that whilst we welcome the move by some of the banks, in our view the high interest rates and, indeed, the instability in our exchange rate, are certainly matters of great concern. After all, any Form VI student of economics can explain to the hon. Minister of Finance and Minister of Tourism that stability in the exchange rate depends on confidence. The fact that for the entire 12 months of 1996 since this UNC/NAR coalition administration has come into government, there has been so many uncertainties associated with the exchange rate, speaks volumes about the general lack of confidence in terms of this administration’s ability to govern the economy of this country.

Over the last few days and weeks we have been hearing much discussion on the measures in the budget which certainly would affect the whole question of savings. The consensus seems to be that the budget discourages savings. Just recently, I think it was on Tuesday, December 24, 1996, there was a story on page 2 of the *Daily Express* in which a Scotia banker talked about the pressure on the exchange rate. This newspaper article had this to say:

“Any flight of savings into foreign-based pension funds would undermine the exchange rate, warned Scotiabank deputy manager Richard Young.

‘Clearly if what is being suggested by Attic holds true then demand for foreign currency products will put pressure on the demand for foreign exchange.’

The banker said he agreed with the position of the Association of Trinidad and Tobago Insurance Companies (Attic) on the impact of the \$18,000 tax cap on national savings announced by Finance Minister Brian Kuei Tung in the 1997 Budget.

Mortgage claims, said Attic, would 'eat up' the allowable deductions for pensions and annuities. With no incentive to invest in pension funds, Attic believes the measure could start a flight of capital into foreign-based plans."

Earlier this afternoon we heard Sen. Mahabir-Wyatt indicating that already people are beginning to look abroad to invest in pension plans.

On Friday last, Sen. Hamel-Smith made certain comments—and I certainly would like to respond to some of those comments—regarding the \$18,000 limit for mortgage interest and annuities. Sen. Hamel-Smith chastised my colleague, Sen. Montano, indicating that Sen. Montano was misleading and dishonest and said that both a husband and a wife could each claim \$18,000. In fact, he went so far as to give us an example. But my understanding—and I am open to correction—is that under section 10(3)(a) of the Income Tax Ordinance, provisions are made for the deductibility of mortgage interest and it limits it to \$20,000. Subsections (4) and (5) permit a husband and wife to share the limit, not the total interest, in respect of one property only. In fact, my checks with the Inland Revenue Department confirmed this position. They confirmed that their understanding of the budget provisions is that it does not allow the new \$18,000 limit to be granted to both a husband and a wife. Therefore, in the absence of a change in the law, they would permit the \$18,000 limit to be claimed only once by both parties.

I believe it is because this Government has been so embarrassed by the widespread public objection to the budgetary measures, in an attempt to ease its discomfort it is now trying to suggest that this double allowance of \$18,000 was always intended. The hon. Minister has had opportunities to explain it, and certainly before the end of today we really would like to get some more light on this particular matter. In the past, governments have paid a price for ignoring the cries of the people, and I use the word, governments, whether it is the PNM or the NAR and, therefore, this UNC/NAR coalition should pay heed.

Now I disagreed, to an extent, when I heard Sen. Martin Daly two weeks ago make a statement that the issue of savings and foreign exchange stability and so forth, has nothing to do with rich man or poor man. I would like to take this opportunity to go on to show how this budget is going to impact severely on the masses in this country. As I said before, the budget gives with one hand but it grabs with the other hand.

For years I have heard our hon. Prime Minister use expressions like, parasitic oligarchy, alienation and discrimination. In 1996 I am hearing a new expression

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being used by our hon. Prime Minister. He is now talking about a paradigm shift. I really have to wonder about this paradigm shift, because for years the People's National Movement has been accused of neglecting the agricultural sector. But here is a new administration, with Members of Parliament and Ministers who come from rural communities and who certainly ought to have a better appreciation of the agricultural sector, and when I look at the 1997 Budget, I really have to wonder what it does to change agriculture in Trinidad and Tobago.

I came across a statement made by our hon. "Minister of Misinformation and Propaganda" when he was on this side of the Senate. I think it was in 1993, when he said in a budget debate that the only way agriculture would get its filip is under a UNC Government. But you know, the only filip I see agriculture getting under this UNC Government is a Phillips screw driver. *[Laughter]* He accused the PNM of having no policy on agriculture; he waded into the then government for negotiating with the masters in Washington. But what really is their policy?

3.00 p.m.

We heard earlier this year that they were adopting our white paper, which we left for them in 1995. We did leave a white paper on the food and agriculture policy; we heard that they are adopting this as their policy, but what I am concerned about is, where is the evidence of implementation of this policy? They have been there for 12 months now. Is it also another year of discovery for them in the Ministry of Agriculture Land and Marine Resources?

Mr. President, when I read the budget statement on agriculture at page 11, here is our hon. Minister of Finance:

"Mr. Speaker, for many years successive governments have repeatedly acknowledged the need to diversify the economy, yet the economic base is still narrow and lopsided. This Government will not pay lip-service to this urgent priority. Government will 'walk the talk' in developing the non-oil sectors of the economy, particularly, the sectors which have the potential to make a significant impact on the unemployment levels. Accordingly, Government's policy for the agriculture sector will be designed to:

- increase employment opportunities;
- promote national food and nutrition security;
- facilitate an increase in foreign exchange earnings;

promote sustainable management of land, water, forest and marine resources, which will contribute to social stability and the empowerment of rural communities; and

facilitate the development of agriculture in Tobago.

Increasing employment opportunities and growth within the sector, will depend on the implementation of strategies to facilitate the development of the agro-industry. This includes providing technical support to small farmers; addressing praedial larceny; increasing the access of farmers, fishermen and aquaculturists to agricultural credit and taking steps to develop linkages with the agro-processing and tourism sub-sectors."

Mr. President, it is my submission that this is all talk, and from this budget, where they have made absolutely no other references to any strategies to achieve these goals and objectives, they are failing to walk the talk.

Just recently, I had the opportunity to speak to a very prominent farmer in this country who hails from the Aranguez area. In speaking to this gentleman, what I discovered, was that this was a man who was indeed very frustrated and depressed. I went through the budget documents with him, to show him what is there for agriculture, and the first thing he told me is that farmers, and particularly young people, are preferring to leave the lands. Now this is a gentleman who would have given his life, his sweat and his blood, to ensure that the UNC came into power, and now that they are there, he is feeling a great sense of betrayal and he is losing hope.

Let me just highlight the plight of many farmers in this country with the recent fluctuations in the exchange rate in the country. This farmer was highlighting the costs that are involved in producing food in this country. Mr. President, let us take a simple crop like a tomato crop, and look at the facts. One packet of tomato seeds, with 100 grams of seeds in it, that can plant just about half an acre of land, the cost of that little packet is \$150. Long ago, when a farmer bought his seeds, he would sprinkle them into the ground and allow them to grow into seedlings before they actually planted the plants, but in the last few years, they have been using a system involving trays, where they put some peat moss into the trays and sow the seeds in those trays. One tray costs over \$40. A bag of peat moss that used to be less than \$100, is now selling for \$150.

When they grow the seeds into seedlings and plant them into the land, they have to fertilize these plants. There are two commonly used salts, a blue salt, and a

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red salt. Prof. Spence is here and I am sure he is familiar with these names. Every single farmer in this country knows about 12-12-17-2, and 13-13-20. One month ago, a bag of salt was selling for \$165, now it is selling for \$175.

Apart from fertilizing the plants, the farmers have to spray them with insecticides to prevent the spread of diseases. A basic chemical called Pegasso, which is used every 10 days in a crop of tomatoes, is now selling at \$300 per litre. The fungicide Daconil which is used in tomatoes, celery, lettuce, patchoi, and cabbage, one month ago was selling at \$105 for one packet; now that price has gone up to \$120 per packet.

When a tomato plant is growing, very often the farmers have to stake those plants to keep them up. We have a teak industry in this country, and some time ago one teak stake was costing \$1.00 per stake, now the price has gone up to \$2.06 for one stake, and if a farmer has an acre of tomato plants, he needs about 6,000 stakes to prop up his crops.

To maintain his plants, he needs certain kinds of equipment. He needs a spray can. A spray can that was \$500 is now close to \$1,000. Very often one would need a pump, and the cost of a pump is indeed very high, and now with this budget, where the price of fuel has been increased, it means that there is going to be further hardship for farmers in this country who depend on these pumps. There are mistblowers that they use, that operate on fuel as well, and now this means increased costs for them.

Mr. President, to get to his garden, the farmer needs a vehicle. It means that the cost of transportation to and from his garden will inevitably increase. A farmer very often needs a tractor to clear his lands. It means that whereas before he was paying \$250 probably to get a lot of land cleared, he will now have to pay more because the cost of fuel has gone up. If this farmer is lucky he would have a crop to be harvested. What is happening throughout this country?

I wish our hon. Minister of National Security would take note of the problem of praedial larceny. It really made me very upset to read a few weeks ago, where no less a person than our Minister of Agriculture Land and Marine Resources, in addressing a group of farmers in Princes Town who were complaining about the problem of praedial larceny told these people: "Kill the thieves, cook them and eat them." Is that the Government's policy on praedial larceny? I hope not. It really bothers me, Mr. President. It is a ridiculous statement. I am merely quoting from

what I read in the newspapers, and I read, "kill, cook, and eat." They were talking about praedial larceny and the thieves. *[Laughter]*

This is no joking matter. At this forum, what the people were asking for—and I hope the Minister of National Security will listen with an open mind—was a regular patrol from the police service, especially in the farming areas.

Mr. President, if a farmer is lucky to be left with some harvest in his field, there is another very big problem, that for years has been affecting farmers in our country, and that is the problem of marketing. There has been a serious problem associated with marketing of our farmers' produce and, you know, in Trinidad and Tobago, the Port of Spain market is operated by the Port of Spain City Corporation. That market really is designed for retailers, and for customers who would want to come and get little items, but for years our farmers have been literally begging a lodging at that market.

3.10 p.m.

For many months when the People's National Movement was in government I distinctly remember a particular United National Congress Member of Parliament, who is now deceased, lobbying and agitating with the farmers until the People's National Movement government agreed to build a farmers' market in the Arranguez area in order to accommodate our thousands of farmers in this country. We all know that Arranguez represents the food basket of the nation and, indeed, it is a very centralized location where our farmers from Maraval, Trincity, Central and South can go in order to sell their produce. In building such a market, certainly, one would have expected there would be very modern-day facilities: cold storage and so forth.

Mr. President, what saddens me even more is that there are Members of Parliament from this UNC administration who have been taken on tours in that particular area and are mindful of the problems. They have been informed of the problems and yet in this 1997 Budget we do not see one single provision or allocation with respect to the construction of a market for these poor farmers.

Certainly, on Friday last we heard Sen. Vimala Tota-Maharaj speak about the agricultural sector, and I would certainly compliment her as our new Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources. *[Desk thumping]* But the only market that she spoke about was the Debe/Penal market which we all know has been a white elephant that was constructed by the former

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NAR Government in Debe and for years that market has remained under-utilized. Also, it is very heartening indeed to hear that they have transferred NAMDEVCO, which is an agency that has not really been fulfilling its mandate, to that market.

The farmers are still wondering when they are going to get their market. I make this plea to the Government to please see what can be done in order to assist these farmers who have been lobbying for years to get their market. The market was promised when the PNM was in government, it was going to be built as the lands were identified and were about to be acquired. So far 12 months have gone by and this Government apparently has washed its hands with respect to these farmers, and they talk about walking the talk?

Mr. President, let us not talk about the flooding problems. We heard much talk from the hon. Minister of Works and Transport about the Drainage and Bridges Programme, and I know for a fact that he was taken on a tour of the Arranguetz area. He was shown the particular gate at the Mullings canal which has not been functioning. Up to one month ago there was a big newspaper story about farmers in Mount Lambert being affected by the flooding problem. Certainly, with the high cost of production for farmers which I have just outlined and with these problems of praedial larceny and lack of proper marketing facilities, they can do without this problem.

The fact is that if a farmer has to survive today, very often he needs credit facilities. We have heard talk about a youth credit facility through the ADB but my information is that the facility is limited to \$50,000. If a young person wants to start an agricultural project one of the first things he may need is a vehicle, then he would have to get equipment: pumps, spray cans and so forth and very often that money is really insufficient. In any event, my information is that young people are running away from agriculture and the Government talks about agro-processing.

Pawpaw cultivation is a very good example. Farmers who are involved in the production of crops as pawpaw need technical assistance. One would have expected that our extension officers would be able to offer assistance, but very often they cannot. The uneducated farmers seem to know more in some instances than some of these people. They need technical help and very often it is much more economical to import the raw materials rather than have it produced here. That is why some companies such as Matouks, prefer to import their tomato paste rather than, perhaps, have to be subjected to the problems that our farmers face in producing tomatoes.

The other big problem facing our farmers is the absence of land tenure. If one needs credit facilities one needs to have some land tenure. We know that the state is supposed to be involved in a land distribution programme, but how many acres has it given out? In the Arranguez area I can vouch for the fact that not one acre has been given out.

It is no wonder, Mr. President, that since this budget has been presented our cane and rice farmers, and I believe the Agricultural Society, have spoken out. Today, I read in a newspaper that a Mr. Maharaj from Caroni (1975) Limited is also crying out and the general comment is that this budget does very little or nothing for agriculture.

Quite apart from our farmers, I think the people in the agricultural sector who are hardest hit by the budgetary measure of increasing the price of gasoline and diesel are our fishermen. Our fishing industry in this country has been developing over the years and I think at present it employs over 6,000 people who operate a fleet of about 1,800 vessels. Do you know what is even more frightening? The majority of these fishermen hail from the heartland of the UNC territory, that is, Couva North and Couva South. When the People's National Movement was in government and there was a similar gas price increase they lobbied, agitated and had meetings with the then prime minister. I think the present Attorney General had gone so far as to file a constitutional motion against the then government and eventually they were able to get some kind of relief. Here it is this uncaring, insensitive Government has put more pressure on these already suffering fishermen.

Only last night I was hearing about how many fishermen were locked up in Venezuela and today there was to be a hearing. Up to now, 12 months in Government, they have not been able to negotiate a fishing agreement to protect our fishermen. Look at the gruesome killing we had out in the Gulf recently. Our fishermen are subjected to tremendous hardships, piracy and shooting incidents. They are subjected to terrible conditions.

At the Port of Spain Wharf there is a wholesale fish market and my information is that the large trawlers are unable to dock properly in that facility. There is need for the sea to be dredged and for better cold storage facility. In fact, they need a new jetty. Perhaps, the hon. Minister of Energy can shed some light on this.

My information is that just before the PNM demitted office NP had been mandated to upgrade the facilities down at the Sea Lots Complex. I am hearing

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that the conditions there are indeed very deplorable and, in fact, banditry is the order of the day. There are very cramped facilities and nothing really has been happening.

3.20 p.m.

Mr President I think our fishermen have been crying out. In the *Trinidad Guardian* of December 23, 1996, page 3, we have them complaining about the increase in the gas and diesel prices and, of course, in the *Daily Express* as well, they have been complaining, "Fishermen hard hit by gas tax". We have a gentleman here, this is in the *Daily Express*, I believe:

"Samlal noted that pirogue fishermen use some 75 litres of gas, not diesel, we use gas to run the engines and we do not pay license on these engines, or fishing vessels".

All the talk about saving more, when you compare the minimal increase of gas to the licence fee, it does not apply to the fishermen. Why did they not think about the poor fishermen when they decided to increase the gas price? Salim Ghoul of San Fernando's King's Wharf Fishermen's Association, argued that for years, they have been protesting against the price of gas and now Government has increased the price without thinking of how the fisherman will run his boat. If sea bandits and gunmen are not robbing fishermen, the Government is treating them badly. They claim that with the 10 cents a litre increase in gas, fishermen would be forced to spend an additional \$10 to \$20, sometimes more, a day on the commodity. Both engines are gas guzzlers, and in order for them to make a good catch, they have to travel hundreds of miles into the sea; they go as far as the Bocas, and all through the Columbus Channel, in search of a catch. That is how hard they have to work. This is a very uncaring, insensitive Government. Look at the kind of blows they are inflicting on these thousands of poor, innocent, hard-working, citizens in this country; it really bothers me.

In the last Budget presentation the hon. Minister came to this Parliament and made mention of a social mitigation programme. We know for a fact that in June of this year this UNC/NAR Government signed the agriculture sector loan with the Inter-American Development Bank, and I could not believe it, when in his winding up in the Lower House, just looking at a television extract, some days ago, when some question was asked about this loan, our Minister of Finance seemed not to know that we had signed that agreement. The point has been made elsewhere, that

in this budget there has been no mention of this programme, so we do not know what is happening with respect to that particular loan facility. There is a provision in that loan agreement which involves a credit fee for not drawing down on the loan facility, and already we have been told—

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. D. Montano*]

Question put and agreed to.

Sen. N. Mohammed: Thank you very much, Mr. President and hon. Senators, for allowing me this extension of time. I think I have to move on, but let me just complete that point by saying that my information is that our Government now has to pay a fee for not having drawn down on that loan. Perhaps the hon. Minister can shed some more light.

In my short time that is left I have so much to say about this budget. Two weeks ago the hon. Minister of Works and Transport came to this Chamber and he *ramajayed* about what is happening in his ministry. He reminds me of the great magician called Houdini. I think the only thing he forgot to mention was how many party units he has formed, functions he attended, and pot holes he has fixed for the year. I have no doubt that Minister Sadiq Baksh is a hard-working person, many of them are indeed that way. He is in fact a highly energized minister, that is why I referred to him as Houdini; he is a man of action. I saw a newspaper report from the Ministry of Works and Transport, with him in his short pants, helping the boys put up the tent; he is really hardworking. However, when one comes to this Parliament and fools the people of Trinidad and Tobago, I have serious problems with that.

In this year's budget, much has been said about a \$1.7 billion allocation for the capital programme and, certainly, we would be the happiest persons if these projects really get off, and the infrastructural developments take place in this country. After all, this was indeed the plan that we in the PNM had been implementing, and they are merely carrying it out. Just as how they were fooling us here, in 1996, when the budget was being presented—the under-provided funds in the last budget for the Public Sector Investment Programme, we warned them that they were under-providing the funds, particularly with respect to the Agricultural Access Roads Programme, only \$19 million had been allocated in the last budget, they disregarded us, but lo and behold, just about two months ago they came back

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to this Parliament to seek a variation of the Appropriation Bill. We had told them that there would be a short-fall of about \$70 million and later on in the year they came back to ask to reallocate funds. In fact, they removed \$1 million dollars from the police post, that was supposed to be built in Barataria, in order to reallocate it toward this budget. This year, what we are seeing is the reverse, they seem to be over-providing funds, but as I said, we would be the happiest people if they were to accomplish all these things.

Mr President, they talk about a drainage and flood control programme, on page 19 of the *Public Sector Investment Programme*. Since 1992 or 1993, the PNM had negotiated a loan of US \$80 million for this programme, the elements of the programme had already been worked out and final negotiations were taking place when the PNM demitted office. One whole year has gone by and we are still being told on page 19 of this programme that negotiations are expected to be completed by the second quarter of 1997. We really have to wonder if anything would really be done to alleviate the drainage problems in 1997.

They talk about a national highways programme on page 20 of the *Public Sector Investor Programme*. It says that a comprehensive national highways programme which has been developed over the past two years will take off into full implementation in 1997. My information is that it shows from a study that was done by the NAR government in 1990—when the PNM got into government they met the programme there, completed the studies, designs were done, they selected the roads to be constructed, contracts were prepared, and funding was accessed, and that project would have been ready for implementation in February, 1996. One year has gone by and they are now about to start it.

We are indeed very heartened to know that they are going ahead with the National Library Complex. We recognized in our world-class vision, what Newt Gingrich has written about in his book; that we are moving from the industrialization age to the information age. That is why we had a project like the National Library, so we are glad to see that they are continuing with it.

They spoke about other capital projects such as the construction of a new airport complex; we are waiting anxiously. The school building programme and other public buildings, they are all laudable projects. We wish them well and we hope that they are able to accomplish them.

Since last year they spoke about the Arima High Court, and this year they have come back and talked about the Arima Judicial Complex. When is work going to start? We want to see the courts built.

As for the Unemployment Relief Programme, I came across a newspaper article saying that URP is not a political tool. I live in the Barataria/San Juan area, and if it is one area where one has the most problems and disruptions associated with this programme, because of political interference, it is this one. I have actually seen it. Imagine, a Member of Parliament organizing his own supporters to protest in order to get his fellow parliamentary colleagues to respond to the concerns of the people! It is political patronage as one has never seen before. I think they have some problems because the NAR activist seems to be more in control, and the UNC supporters are indeed complaining; well do not mention the PNM supporters. Everyone should benefit from a project of that nature. Let us not treat it as a political football.

I want to turn to another aspect in this budget, where I would show how it really impinges on the poor people in this country. This is with respect to the motor vehicle regime. On page 22 of the *Budget Statement 1997* the Minister talks about regulating the used-car market. When they were seeking to open it up, we warned them that one needed to put certain things in place first. They disregarded us and opened the market, and now in this budget, they are seeking to do the other extreme.

3.30 p.m.

I have been told by a person who is involved in the used-car industry that the industry now employs about 6,000 persons, particularly young people from the John Donaldson Technical Institute. They cannot get jobs anywhere else, but they are getting jobs with these enterprises. They are involved in the re-upholstering of vehicles, painting and so forth. The new budgetary measures, at page 23 in the *Budget Statement 1997* talk about the importation of fully assembled cars, registration and licensing. I am very concerned about this.

In the El Socorro area I know some of the best mechanics and straighteners and they are people who probably cannot even read and write and now I am hearing about very stringent conditions for these people to come and obtain their licences. The measures are outlined in the *Fiscal Measures 1997*. Dealers must be registered and garages must be registered, licensed and VAT certified. They must pay an annual licence fee and so forth. Whilst we welcome the move to regulate, we are concerned about the plight of the small man in the society and how he is going to measure up. Certainly, with the bigger garages they will be able to comply with the requirements.

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Mr. President, another area of concern I have is with the motor vehicles licence. That is perhaps, the biggest hoax of all. It talks about removing the annual licence fees because of the long lines at the Licensing Division. What are we going to have now? Long lines on the highways? The hon. Minister spoke about having increased road checks. How are you going to monitor the road-worthiness of vehicles? The insurance companies have already expressed concern about the insurance of vehicles. We know that there is a requirement for vehicles being insured and by having one's licence renewed that was monitored. The hon. Minister of National Security spoke about the problems of limited police officers. How are you going to drain the resources of our police officers now to have them checking on insurances to see that vehicles are inspected? They talked about having licensed garages for inspection of vehicles. My submission is that this whole measure is going to add to the bureaucracy and the corruption in this country. We urge them to rethink that.

I have highlighted the plight of the fishermen who have to pay more for gas. What about Lal Beharry or John Doe who has to take a taxi to go to Sangre Grande or to go to Chaguanas? We have already seen newspaper clippings where the Maxi-Taxi Association is saying that they are contemplating increasing their fees. It is the poor man who is going to suffer from this budget.

We have heard so much about the casinos. Sen. Dr. St. Cyr put it nicely when he talked about the social ills, the mafia, the prostitution and so forth. Most religious organizations have come out strongly against the casinos. I, myself, would like to add my two pence. I stand here as a Muslim Member of Parliament and I plead with the hon. Minister of Finance and Minister of Tourism to please tune in to the cries of our people. Did he take the time to consult with the IRO? He did not consult with the Tobagonians as we heard from Sen. Dr. Mc Kenzie, last Friday. I felt so saddened when I saw how far they were prepared to go by using poor Sen. Rev. Barbara Gray-Burke last Friday to say that nothing is wrong with casinos. The Baptists are hitting out at Sen. Rev. Gray-Burke on casinos in today's *Trinidad Guardian*, December 30, 1996.

Sen. Rev. Gray-Burke: The PNM Baptists.

Sen. N. Mohammed: This has nothing to do with PNM. Nearly all the religious organizations have condemned it. Do you know what words they used here? That Sen. Rev. Gray-Burke supports casino gambling because she has sacrificed her soul for politics. Sen. Rev. Gray-Burke is a praying, really wonderful

person and it saddens me that they are using her to that extent. But it is just so typical of all their other measures. Earlier this year—Prime Minister with glass in his hand. End of the year—he is with a Carib bottle. They are allowing shotgun marriages in Tobago.

One of the first measures they introduced in this Parliament, as the Government, was to extend shop hours in order to sell alcohol. They do not have respect for the other Muslim Senators in the Parliament who might be against gambling.

Sen. Gangar: This is not an Islamic state.

Sen. N. Mohammed: We know it is not, it is a secular state but certainly, they should have tuned in to the views of those around them. If they do not want to listen to their own, then look at the outcry in the whole country. I, for one, am certainly against any form of gambling and I urge our hon. Minister to see that there are problems in our society. Let us, as one member of the community said, rededicate ourselves to a period of moral upliftment and spirituality.

Before I conclude, I urge the Minister to do just as they did in Barbados. When there was such an outcry, I understand that they formed a committee and had public discussions and eventually the Barbadian government decided to withdraw the particular measure. I urge the hon. Minister to rethink that particular measure.

In the area of sport and youth affairs, coming from the area of Barataria/San Juan, where crime is on the rampage, we need better sporting facilities, we need a pavilion for our sports people to change their clothes and so forth.

Mr. President, I have to come out in defence of those St. Joseph's Convent students who, sometime ago, were criticized for participating in the teacher's protest. I am a past pupil of St. Joseph's Convent in Port of Spain. If there is one thing I was taught at school it is that one must speak out when one sees injustices being done.

I happen to know that those girls went out there on their own volition and took part in that march. No one instigated them or spearheaded anything. They probably got caught up in the heat of the moment and whatever was seen was seen. They subsequently apologized, if at all they disrespected the office of anyone. By and large, those girls took a particular position based on their convictions and I stand here in defence of them. That is why I am where I am today. It is because I stand for principle.

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Mr. President, permit me to say that this 1997 Budget reflects darkness and despair. I am compelled to quote the great Lebanese poet, Kahlil Gibran who wrote:

“God has bestowed upon you intelligence and knowledge. Do not extinguish the lamp of divine grace and do not let the candle of wisdom die out in the darkness of lust and error for a wise man approaches with his torch to light up the path of mankind.”

I ask: Who are the wise men on that side? I warn the Government to take heed. Listen to the voice of the people. This was a word used by former Sen. Surendranath Capildeo when he was on “this side.” God alone knows where he is or where you all have him.

This concatenation of draconian measures that have been inflicted on the masses must be repealed or else history would be unkind to them.

Mr. President, I wish you, and all other Senators and, indeed, the parliamentary staff and members of the media a very prosperous 1997, notwithstanding our budget. Thank you.

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I was somewhat disappointed with the alarmist and shallow contributions by the Opposition, the People’s National Movement’s Front Bench, especially Sen. Elizabeth Mannette, who is not here and who referred to some slippery, slimy slope to a slum. I am not surprised by the rhetoric that has been coming from the other side. The entire PNM Opposition team seems to have been bitten or infected by a special political disease. I think we can easily refer to this disease as “manningitist”, symptoms of which were clearly manifested in their respective contributions.

This sickness leads to what I describe as mental imbalances, psychotic disorders and a dread form of schizophrenia. When one has this particular disease, “manningitist”, everything that is right appears wrong. The weaknesses of their contributions over the last few days were quite manifest.

3.40 p.m.

Sen. Mannette, for instance, spoke about a declining dollar. She conveniently forgot that this country was forced from a fixed rate of exchange to a floating rate

of exchange by the last PNM regime. When this took place, we all recall, that the currency experienced a 33 per cent decline where we moved from \$4.25 to \$5.75 overnight.

When we speak about the poor people experiencing a swift and decisive decline in their standard of living, that took place on that fateful April day of 1993, when the PNM made that swift and decisive change. And they were just 16 months in office. They speak about for instance, school children who are studying abroad having to return home because their parents could no longer afford their school fees. Yes, we agree that happened under the Manning administration. Sometimes with this disease as I said, they tend to forget, errors are dismissed, sins of omission and commission are forgotten. One can well appreciate the innocence and virginity of that Senator—politically speaking—who arrived on the scene as she admitted, and has little knowledge of the past economic crimes committed by the then corrupt, inept, extravagant and “Smoky and Bunty posse”, who once ruled our beloved homeland. Thank God the people have been rid of this group of political termites and we hope that they would at least be away from our people’s eyesight for some time to come.

Mr. President, my dear friend, Sen. Nafeesa Mohammed, who I consider to be extremely naive, gullible, innocent on the surface, was not around. She was not around when Manning was rampaging, crushing and brutalizing people. She was too busy. She was so busy with the Hulsie Bhaggan MOP party. Her feet have never been firmly planted anywhere. Four days ago, she was a PNM. Three days later, a UNC; two days later a “MOPPET”. Today, she is again consumed by the PNM, selling her soul for a mess of pottage. This is a shameless young lady. No credibility. Absolutely no credibility! Fighting for her life.

Mr. President: I think you ought to temper some of your comments.

Hon. W. Mark: No credibility and fighting virtually for her political life. I will have more to say about this young lady, the Senator, later on.

I want to focus at this time on what has happened in the Ministry of Public Administration and Information over the last year and what we plan to do in the coming period. This budget, as well as future budgets, must be considered as a significant statement on Government’s policy and approach to the economic and financial management of our country. In this regard, the 1997 Budget is as important an economic objective for our country’s continuing growth and

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development as are Government's fiscal policies and measures for 1997 and the *Medium Term Policy Framework, 1997—1999*. Just as the private sector with its myriad components is considered as the engine of economic growth, in like manner, the public sector with its complex combination of constituent parts comprising the core establishment of ministries and departments, as well as the statutory organizations and state enterprises, is considered the catalytic agent on whose shoulders rests the establishment of the framework within which economic development must be assured, given its key role as Government's administration machinery and implementor of Government's policies and programmes.

While both sectors may seem to approach their jobs or their roles and responsibilities differently, it is true that their goals and expectations meet at the pivotal points of service, efficiency, product delivery and consumer satisfaction, all of which place an inescapable imperative on both sectors to become customer-focussed and to provide highest quality goods and services, at all times, during the rapid and bewildering changes which are taking place and which have led to technology, information, communication explosion world-wide.

Mr. President, to achieve these objectives imposes on us an obligation to operate with a vision and to employ strategies for competitiveness, efficiency and effectiveness, as well as improved customer service and satisfaction. It is from this standpoint and perspective, and vision of a public service totally committed to fulfilling its role in the economic and social development of our country, that I say in keeping with the Prime Minister's declaration of 1997 as the year of delivery, that a new era of public administration and public services will be the unparalleled experience that this country must look forward to in the 1997 period and, indeed, insist upon as we move ever closer to the year 2000.

Mr. President, the Ministry of Public Administration and Information, which I have the honour to head, has spent the last year setting the strategic direction and framework within the public service which has already begun to be re-oriented. It is our determination to develop a new culture focus, an awareness which the public service must adopt and to which it must adapt in order to come to terms with its enabling and supporting role as the Government focusses on conducting its own business in ways that allow for all other sectors to become the most active and successful stakeholders and partners in national, economic and social growth and development. In other words, a public service to be transferred from being inward-looking to being outward-looking; a public service whose main focus would ensure

that the people of this country reap the rewards of their efforts and the Government delivers the fruits of production to all sectors of our society.

Mr. President, I therefore have every confidence that the policy agenda for the public service which is now set to be the Green Paper, driving implementation of the new public administration, will again generate wholesome commitment to the transformation and improvement of public service institutions, organizations, procedures and practices. This is a challenge which is no less difficult today than it was on the occasion of my contribution to the 1996 budget debate, but there is one major and significant difference. The difference is that on that occasion, this Government proposed and committed itself to a supporting policy framework for the public service. I am proud today to say that we have delivered. We have taken the first step in the long and challenging pathway into the transformation process.

Mr. President, this Senate might also recall hearing from me in the 1996 budget debate, that the *Medium Term Policy Framework 1996/1998* included information and communication, for the first time, as a substantive issue. In the coming year, my ministry has the onerous task to begin the implementation of the relevant provisions of the Freedom of Information Act. The Government took a very proactive and unquestionable, aggressive approach to the enhancement of the outputs of the portfolio dealing with information, communication and public relations. And necessarily so, in order to achieve a strategic direction commensurate with its philosophy and style and particularly relevant to the concepts of national unity, improved governance, transparency in government business and bringing Government closer to the people.

3.50 p.m.

It has been this Government's intention and vision to promote a recreated public service, conducting its affairs purposefully, objectively and with the highest levels of professionalism and integrity. While many may look to the private sector, our goal is that the public service must be the ideal place for all who choose it as their preferred place of employment. While still not fully functional and operational for most of the year because of accommodation and staffing issues, the Ministry of Public Administration and Information never ceased to focus on Government's strategic areas as indicated in the *Medium Term Policy Framework 1996—1998*.

The three broad policy areas to which we directed our attention were for greater efficiency, continuous improvement of the public service and to improve service delivery systems, as well as information and communication to equip us for

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a higher level of preparedness for the overload which will characterize the information industry of the 21st Century. All these were undertaken towards building consensus on our commitment for transparency in government. About 10 strategies were proposed and the three targeted areas are all at an acceptable stage of implementation, with work continuing on all strategies in all policy areas.

It is my intention to continue vigorously in these strategic result areas. However, greater attention and action would be forthcoming in the strategies pertaining to cost reductions and cost savings; improved public financial management; the streamlining of public service organizations for greater productivity, and the elimination of the wastage of human, financial and physical resources. This latter strategy will be achieved through the conduct of a strategic review of the public service, the details of which are currently being finalized.

In the *Budget Statement 1997*, the hon. Minister of Finance declared that a critical aspect of the structural reform process is the need to remove the public service administration bureaucracy, and re-engineer the public service to face the future. In this regard, the public service will focus on enhancing its functional relevance, renovating and rebuilding structures and systems which are more flexible and adaptable to the changing realities of a modern civilization. Most importantly, in attempting to improve governance to bring government closer to the people, to ensure transparency and improve Government's communication processes with the people, the Government's public relations and communication strategy—referred to as misinformation and propaganda—will be made more effective and have more impact in 1997.

Hand in hand with this effort as indicated by my colleague, the Minister of Finance, the *Medium Term Policy Framework 1997—1998* emphasized that the Ministry of Public Administration and Information must deliver specific results. Among these were included implementation of the policy agenda for the public service; introduction of a modern and effective human resource model and function for the public service; conduct a strategic review; implementation of what is called Excellent Service, Customer Care and Dependability Programme (XSCEED); implementation of special sectoral reforms within the public service, and the formulation and availability of a communication information and public relations strategy.

Allow me to turn now to the issue of discipline and decorum in the public service. The public service, given all attempts to improve it systematically, has

been without a key instrument for promotion and maintenance of a highly disciplined work force and environment. This I am certain will not help the transformation which we so persistently seek and aspire to achieve. As you are aware, a new code of conduct has been approved by Cabinet. Only this morning the Public Services Association and the Chief Personnel Officer signed that new code of conduct which has been outstanding for about 18 years. I signed this document promulgating it effective from today. We have arrived at this important juncture through the process of sound deliberation, consultation and consensus building. I have confidence that the adherence to the provisions of this code of conduct will go a long way towards achieving the attitudinal and behavioural changes which are needed in every public officer to assist meaningfully in the pursuit of a new public administration in our country.

In the area of labour and industrial relations, the achievement of this administration has been quite significant and was consistent with the new Government's philosophy of dialogue, participation, consensus building and the adoption of a more collaborative role with the labour movement to foster stability and the maintenance of industrial peace.

During the course of 1996, the ministerial committee with responsibility for monitoring negotiations and levels of remuneration in the public sector, which I have the honour to chair, established procedures for the monitoring of negotiations, and the revision of pay and other terms and conditions of employment, for all levels of employees in statutory boards and similar bodies, as well as state enterprises. These established procedures will ensure the standardization, as far as practicable, of terms and conditions of employment in public sector agencies, and the promotion of a good industrial relations climate in the public sector, thereby setting the tone for the overall industrial relations and labour movement environment in our country as a whole. Within this framework of dialogue and consultation, team work and professionalism at all levels, several outstanding negotiations on pay and related issues, including public service arrears of emolument, were successfully concluded in 1996.

Among the notable achievements I wish to identify and outline are the signing of agreements for the issuance of bonds on behalf of civil servants, prison officers and employees of the Port Authority; the settlement of agreements of the Water and Sewerage Authority on behalf of its daily rated, monthly paid and security personnel numbering about 3,000 employees and the conclusion of negotiations with three unions: the National Union of Government and Federated Workers

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(NUGFW); the Amalgamated Workers Union and the Contractors and General Workers Union, on payment of COLA for the period 1993—1996; the settlement of collective agreements for the period 1989—1991, and 1992—1996 in respect of weekly and daily rated workers at the Public Transport Service Corporation.

4.00 p.m.

Mr. President, I am proud to report that in the utility sector of our country, every trade union, whether it is WASA, T&TEC, PTSC, or the postal services, we have in fact, arrived at collective agreements involving the first three areas. We are now seeking to settle a matter involving the Postal Workers' Union and we have had some progress on that particular front.

Of course, the matters involving the teachers' union, TTUTA, is still engaging the attention of the Chief Personnel Officer and I was informed only today that the Chief Personnel Officer has summoned TTUTA to a meeting on New Year's Day to continue negotiations with a view to arriving at a reasonable settlement between the parties. [*Desk thumping*]

Mr. President, in those areas where it has not so far been possible to conclude agreements as I have said, I am confident that the climate that has been created there with the narrowing of the areas of differences between the parties will result in mutually acceptable positions. In this regard, we will be making every possible effort in the coming year to bring about speedy conclusion of our public service negotiations. To this end, I have already invited all associations and unions, 14 in number, to join the Government's negotiating team in providing creative and innovative ideas which would contribute to ready settlement of their proposals.

The Government will continue working to ensure the maintenance of a healthy industrial relations environment that will be conducive to a peaceful and harmonious atmosphere in which the general public will be able to receive a steady flow of the efficient and uninterrupted service to which it is entitled and which we are committed to deliver. An overwhelming degree of creative energy has been in evidence in the administrative machinery of the Government, to move out of our current unacceptable reality to setting our sights on the vision of a public service that is fit to continue to exist well into the 21st Century; a public service that is powerful as it is service-oriented, as cohesive as it is dynamic; one that is modern, more creative, more results oriented; one that is integrated in its determination to be customer focussed, customer friendly and customer driven; one working in harmony with the hopes and aspirations of the broad citizenry of our country.

I am of the view, that with a clear vision, philosophy and imaginative policy framework firmly under control in the context of the sound achievement of a re-engineered public service along with the successful targeting of key result areas, my ministry's contribution to Government's overall financial economic and social policy on programmes can be guaranteed.

In this regard, I now would like to share with Senators the critical areas where results must be demonstrated for the public service to give life to a new administration under my ministry's leadership. These critical areas may be summarized as follows:

1. Strategic plans for a new planning period for all ministries and departments.
2. The strategic review of the public service with supporting strategies of rationalization, decentralization, devolution of management and restructuring.
3. The re-engineering of the business processes of the public service for greater outputs and higher quality customer-focussed attention, and service in a customer-friendly environment.
4. The full implementation of XSCEED, Excellent Service, Customer Care and Dependability Programme.
5. Greater focus and strategic direction to the human resource function to include, enhancing the managerial skills and competencies at the executive levels of the public service and the provision of a career management and succession plan.
6. The establishment of human resource management units in ministries and departments.
7. The implementation of a new performance appraisal system which goes into effect from January 1, 1997.
8. Increased human resource activity for all ranks, but with particular focus on the senior and middle ranks of managers.
9. Finalization of outstanding legal and legislative matters regarding public service rules and regulations with special emphasis on personnel management and human resource management.

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10. The formulation of an information technology policy for the public service.

I am pleased to say that a committee is already in existence and is working feverishly on this policy.

11. The formulation and availability of an information and communications policy that will guide the implementation of strategies for improving Government's communication services and products.
12. Formulation and availability of a Government public relation strategy for bringing government closer to the people, for transparency in Government business, greater communication of Government information to the national community.
13. Formulation and availability of new procedures and requirements with respect to recruitment into the public service of our country.
14. Formalization of new measures and policies with respect to housing and accommodation for public officers.
15. Implementation of the Freedom of Information Act which in 1996 has been a subject of great debate.
16. The implementation and application of the new code of conduct, and the pursuit of other frameworks that would achieve greater personal and organizational discipline in an enhanced and modern industrial relations environment.

Mr. President, I wish to inform the Senate that the Government of Trinidad and Tobago has taken a decision to acquire the assets of AVM television and to transform this station into what we have called Education Television, ETV. We have a team that is already working out a strategic and operational plan, and we are hoping that by the end of the first quarter or immediately thereafter, we would be able to begin bringing that kind of programming into the living rooms and bedrooms of children. This is in collaboration and conjunction with the Ministry of Education which is responsible for implementing distance learning education.

Sen. Prof. Spence: I was going to ask if this is not really the Ministry of Education's function. If it is under your ministry, then one may hear the comment that it is propaganda rather than education.

Hon. W. Mark: We are acquiring the assets on behalf of the Ministry of Education, so I thought it fit to inform the Senate of the purpose of this

acquisition, and how we intend to proceed so that we can deal with distance learning as we have committed ourselves to doing.

Mr. President, as I said earlier, 1997 has been declared the year of delivery. As I did on the occasion of the 1996 budget debate, I have sought to share with you my ministry's perspectives, direction and philosophy in line with its mission, but even as I did so, I have established some work expectations by which the performance of my ministry, as well as my own performance, can be assessed. Indeed, the entire public service rings in the New Year with a new performance appraisal system in place and it is expected to be fully functional by the end of March 1997. We are confident this will lay the foundation for higher levels of efficiency and effectiveness and for a greater awareness of responsibility for the citizens of Trinidad and Tobago as they rely on us for their welfare and well-being. We are committed and we are setting the stage.

4.10 p.m.

Mr. President, I would like to enlist the support of the Opposition in our efforts to create a new public service and public administration in our country. We need to have continuity, as far as is practically possible, in respect of policy. This is why when we issued the Green Paper on a new public administration, we hoped that the Opposition would look at the document very clinically and submit its comments so that we can have a framework which can be utilized by the in-coming PNM government when we probably demit office in the year 2015. We would like to have continuity in policy. This is why we placed that document on the public pulpit for the people to submit their views.

As I said earlier, I was a bit disappointed with some of the remarks, but our political system is adversarial. I can well understand my good friend, Sen. Nafeesa Mohammed, because when I was on that side I was extremely vociferous and I was just like her. The fact is, however, that the politics of our country would need to be more objective and logical. *[Laughter]*

We hear about high gas prices, and I would like to refer to this briefly. Again, the PNM Senator, Nafeesa Mohammed and others on the Front Bench, gave the impression that gas prices were increased for the first time by this administration. She spoke, for example, about the plight of the fishermen. We, and the community, must never forget that it was in 1992 that the then PNM government increased the price of premium gas by 60 per cent and, at the same time, imposed a road improvement tax. Today they are talking about sympathy for the fishermen. They

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are concerned about the poor, but where was their heart in 1992—1995? They talked about increases in pensions for the elderly, which Sen. Montano described as crumbs being fed to a starving lion. I do not know if he was referring to the elderly as starving lions.

The point is that when the PNM was in government they increased old age pension by \$9.00, and that was a big thing for them at that time. We have made one step forward. We have said that this Government is one with a human face. This is a government committed to social equity and justice. We have inherited 40 years of PNM foolishness and madness and we are now trying to reassemble our economy. Where the PNM was soft on crime and drugs, this Government has shown in no uncertain way that it will not be soft. We have never slept with the drug lords in this country. We were never in bed with the drug barons. We have records to show that the entire 1991 campaign of the former Attorney General of this country was financed by a drug lord from Mayaro. The former Prime Minister of this country, when he was in charge of the Ministry of Petroleum and Mines, bought a car, insured it for three months and then sold it to a well-known drug lord who has now been convicted.

Sen. Mohammed: Mr. President, I stand on a point of order. The Senator is making accusations—

Mr. President: Just continue with the debate on the budget, please.

Hon. W. Mark: Mr. President, when the Senators on the other side criticize this Government, they must never forget their past, because those who forget their past are condemned to repeat it, and the PNM is guilty. There was Project Pride. Talk about corruption! We have been told by transnational corporations coming to invest in Trinidad and Tobago—and the Minister of Energy and Energy Industries can testify to that—that it is the first time that they are investing in Trinidad and Tobago in the last 20 years and they do not have to cater for the corruption factor. So where is the integrity and moral ability of this corrupt, bankrupt and inept Opposition? They cannot query our ability.

I was on a very calm course in my contribution, but I cannot sit here and allow the PNM to inflict that kind of misinformation on the nation when they are the ones who have been guilty of looting the public purse in Trinidad and Tobago. *[Interruption]* We will have to deal with the Senator on the hustings whenever she is ready. I would like to be a little more calm as I conclude my contribution here this afternoon.

We have been able, as a public administration, to lay the basis for a new start. What was good, we have continued; what was bad, we have discarded and what was salvageable, we have salvaged. I would like, therefore, to enlist the support of the Opposition and all members of the national community in this campaign to bring about a more efficient, a more cost effective, a more dynamic public service in our country. *[Interruption]* Cost effective means that we will be more efficient, and wastage and so forth will be eliminated; extravagance will be cut; the Smokey and Bunty posse comes to an end.

We would like to enlist the support of the national community in this transformation process. The private sector has a role to play and the public sector has a role to play. The question of the changed culture which was advanced by Sen. Philip Marshall is a point that I have noted and we have taken on board. We know that in the public service today, senior managers are not properly paid. We know that we have to address that question as soon as we can. The public sector is a critical agency in the transformation process as we move towards a more vibrant, dynamic, diversified and balanced economy in our country.

I conclude my limited contribution here today by making reference to an excerpt from the contribution of the Minister of Finance and Minister of Tourism:

“We are spurred on by our achievements and will build on this momentum.”

As we move towards developing a nation based on quality standards, efficiency and dynamism, we have sought to encapsulate our vision for Trinidad and Tobago when we talked about a total quality nation. In my ministry we are committed towards a total quality administration for a total quality public service. That is our mission and, with the support of the unions in the public service, with the co-ordination and co-operation of the Government and the various sectors, we are certain that inch by inch and step by step we will get there and we will recreate and produce a public administration that can play its role in the economic and social development of our country and our economy. We need that kind of administration to propel the economy forward in a more dynamic way.

4.20 p.m.

Mr. President, having regard to all that has been said on the other side, given the fact that we are on the business of the nation and we are committed to pressing forward, and taking into account the views expressed, this Government cannot be accused of not listening to people when they speak. For instance, this Government

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has listened over and over and where people have solid views to express and we feel they are in the interest of the nation, we are prepared to listen, and if necessary to address the situation.

As I told my colleagues in the trade union movement some time ago, we are in this business together; we either swim separately, drown separately or we swim together.

Mr. President, I think we have a challenging 1997 ahead of us and we need the co-operation of all and sundry to achieve our aims and objectives.

In closing, Mr. President, may I take this opportunity to wish you and your family a very bright, prosperous and healthy 1997. To all my fellow Senators, in spite of our adversarial relations at times—that is part of the arrangement—I wish them and their families a very peaceful, happy, challenging and exciting 1997.

Thank you, very much.

Mr. President: Hon. Senators, we will take the tea break now and resume at 4.58 p.m.

4.22 p.m.: *Sitting suspended.*

4.55 p.m.: *Sitting resumed.*

Sen. Prof. John Spence: Mr. President, I rise to support the Bill to provide for the service of Trinidad and Tobago for the year ending December 31, 1997.

One may say that speaking at this stage has the advantage that much of what one would have said has already been said, with so many speakers ahead. Or, one can look at it another way and say it is very difficult to know what to say if one is not wanting to repeat what has already been said. As far as possible I would try not to repeat all the arguments that have been used, but I, at least, want to put my own position on some of the issues that have been discussed.

I start by a general view as to how the budget is addressing the issues that we have, particularly, at the macro-economic level. I think most people have agreed that, first of all, the budget has followed previous budgets and that the policy of this Government has followed the policy of previous governments with regard to the position we are taking in general macro-economic terms, and that this budget, as previous ones, has got the general parameters right in the sense that we have been able to ensure that the fiscal balance is in order, by being conservative and constrained in Government expenditures; that we have been able to balance our

exchange, more or less, with little hiccups along the way, but nevertheless we have been able to manage that, and that inflation has been kept low.

I think we would all agree, like many other countries that we have not been able to solve the problem of keeping these various factors under proper control and at the same time reducing the tendencies that we have seen for the rich to get richer and the poor to get poorer. This is not peculiar to ourselves. I would have hoped that in a small country like this, especially with the very substantial income we have from the energy sector, that we would be able to address this problem more aggressively than any of our governments seemed to have done.

I want to look at some of the points made by Sen. Marshall because I believe his introduction was an extremely important one and, unfortunately, with all the reporting that we get, it seems to have been missed by many of our media reporters. I think it is an extremely important analysis that he did in the general scenario which we now face. Basically, what he has pointed to is our continued very high reliance on the energy sector and he has demonstrated that if one takes out the energy sector that the deficit in foreign exchange earnings for the rest of the economy just about balances—and he puts it at some US \$500-odd million—the surplus that we get from the energy sector. So we are able to float, in effect, through that circumstance.

I think that really ought to indicate to us the two serious problems that we have in dealing with our circumstances. One is correcting that imbalance and two, in the course of correction, we must try to address this discrepancy in incomes for sectors in the society. One need not emphasize again the problem of poverty because we have spoken about it quite considerably many times before in this Senate; and we have also spoken of the recent survey which shows 30 per cent and so forth. I say it is a problem which other countries have.

I would start from that position in trying to consider some other measures in the budget because it seems to me that really is the nut that we have to crack. I think that also relates to another difficulty that we have been discussing as a community recently, although we have not discussed it so much in this budget debate, and that is the rate of exchange. If the economy continues to grow without that money we are obtaining by the growth being put back into productive investments, then there is bound, eventually, to be a pressure on the rate of exchange. Some may argue that if the rate of exchange depreciated that might benefit our exports and some other activities in the country, but it would certainly

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make the cost of living for the poorer income groups higher and, therefore, have an adverse effect on poverty. We really need to address those two issues. In that context, I would say a few words about the agricultural sector because that is the one I would feel most comfortable in discussing with respect to how it might assist in solving that dilemma.

Before that, I just want to address some of the other issues in the budget and say what my position is on them—not to discuss them in great detail because I think they have already been discussed. Just one point at the sort of global level before going on to that. I hope that the hon. Minister in his winding up would explain to laymen like myself, how a budget can be said to be balanced if, indeed, the revenue is \$10 billion and the expenditure is \$12 billion and the borrowing, I believe, is \$2.7 billion. I think Sen. Dr. Mahabir raised this point, and I certainly hope that the hon. Minister would deal with it in his winding up. It seems to me that we have showered praises on the hon. Minister for his balanced budget and, in fact, for his surplus that he forecasts. I do not really, honestly, see how one can refer to that as a surplus if it is achieved by borrowing. It seems to me that one would still have a serious deficit in one's accounts. Perhaps he can explain that, as I say, to laymen like myself and to our economist, Sen. Dr. Mahabir.

I have said before that I am not in agreement with the hon. Minister's concept that we should simplify the tax form because it means greater compliance. I think one has to achieve the compliance in other ways and I think that the more one simplifies the tax regime by removing allowances and so forth, the more one removes the flexibility that one might have in influencing people's actions.

It is true that the philosophy these days, especially of the right-wing of the political parties in various countries, is that one should not, as a government, try to influence people's actions too much and that one should leave as much disposable income as possible in their hands, and then they would make the right decisions for the development of the country. I do not think that has really worked, and so, I myself, am in favour of retaining some measure of device to influence the way people act.

Certainly, what has been suggested by some of the changes in the allowances and so forth, is that people may act in a different way; they may not save as much for their pensions and so forth. I am not sufficiently an expert in the field to say whether that is so or not. My position would be, firstly, I do not think it is necessary to simplify the tax regime if it is removing that flexibility from

influencing people's actions. Secondly, if it, indeed, is the case that people are going to save less for their pensions and so forth, and the insurance industry is going to suffer, then I think I would not be in favour of going in that direction.

5.05 p.m.

I must say that I find it somewhat contradictory for the hon. Minister to state that he wants to simplify the system by removing allowances and then leaving, for example, the allowance for alimony. It seems to me very strange that one should remove child allowances in a simplification drive, but retain alimony. It seems to me that one has to look at budgetary measures, and I am going to mention this again when I discuss casino gambling.

One really has to look at these measures, not just the measures themselves, but the signals they may be sending to the community as to the Government's general philosophy and position. If one is cutting child allowances, but leaving alimony, what one is saying is that one is rewarding the break-up of family units and perhaps not paying much attention to the needs of the children. This is just something that worries me a bit.

With respect to old age pensions, I certainly agree with the increase. I am glad that the Government has seen it possible to increase it further, and I think like most Senators, we would hope that it is possible to increase it yet further, in the future. Certainly, I agree with the position that if it is under the poverty line, then really one needs to try and make up, at least, that deficiency.

With respect to the licensing of cars, I have no great difficulty in the change. I do not think it will make much difference, quite frankly, to the cost of running a motor vehicle. I have a little problem with respect to the insurance certificate, whether this will now be displayed on the windscreen where the old licence used to be, or something like that. I do not know. That problem has to be addressed.

For myself, I do not think there was any problem in getting a motor vehicle licence. The problem really arose because Trinidadians have a propensity for waiting until the last day and the queues tended to be long on that last day. So, we are really dealing with the indiscipline of the population. I got my licence in Arima without any difficulty at all. The problem about lines which will still occur is in the testing of T-vehicles, so I certainly hope that the hon. Minister of Works and Transport will address that problem, because that is the difficulty and those lines will still occur if there is no change to the existing system by the licensing of garages, and so forth. That certainly is the one that needs to be addressed.

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With respect to the changes in prescription drugs and non-prescription drugs, I happen to think that it was not a move in the right direction, because I believe that if pharmacies are less profitable, then they have to exist in some way. The likelihood is that they will try to make it up in the prescription drugs, or in the drugs which the supermarkets may not find interesting to sell. I think that the Government has to look very carefully at the cost of drugs. I believe that they are controlled, but there may be some drugs that are non-prescription drugs which supermarkets would not sell, which may increase in price.

As someone who suffers from asthma, and therefore, has to take a drug on a continuous basis, I would be very disturbed to find that the rather substantial sums I have to spend, anyhow, might be increased. So, I hope that does not occur and we can somehow solve that problem. There is also the case where there are some over-the-counter drugs which, quite frankly, should be controlled, so, if one is going to make that change I think the Government certainly has to look at the drugs that are listed as prescription drugs.

I know that there is a difficulty here, that if it is non-prescription drugs, the patient does not have to go to a doctor and, therefore, saves that money. On the other hand, for example, I take a drug for asthma called Intal, which in the United Kingdom, United States and Canada is a prescription drug. Now, in Trinidad, it is a non-prescription drug. I do not know why, but it seems to me that there are these marginal cases which, perhaps, should be controlled and are not. Are they now going to be sold in supermarkets? In fact, this particular drug, although it is non-prescription, the druggist keeps it in his inner sanctum, so to speak, and it is not freely available on the shelf. How is that going to be handled? I think we have a bit of a problem there which we need to address.

The other point in the general scenario of the budget debate that I want to state my position on is that of casino gambling. Now, I happen to support the position of many speakers that this is not a good development. I have no particular religious position in that regard, but I certainly feel that there are some issues that should be discussed. The hon. Minister and myself discussed the way that tourism might develop in Tobago and he has been very supportive of the position that I hold with respect to tourism development in Tobago. It is certainly not along the lines of casino gambling.

Sen. Mc Kenzie has been kind enough to give me a couple of her documents out of Tobago. The meeting that she referred to, there is now a press release, and

it comes out very strongly against casino gambling in Tobago. I hope that it would also help to protect Trinidad from the developments, but certainly, the position is not clear and I would agree with that.

Sen. Gray-Burke has made the point that there is reference in the *Bible* to issues which might be considered in support of gambling. I think when a person in her position speaks, she has to be very conscious of the effect of what she says may have on the population. I intended not to say anything in response to Sen. Gray-Burke but over the weekend I had a conversation with a young man who helps me on my farm, and he said to me, "My wife and I were discussing this issue and we said it must be correct. If Sen. Gray-Burke has said the *Bible* supports gambling, then it must be so, but we agreed that I should speak with you and ask what your opinion was on that matter, because we are a bit confused now."

I want to read an extract from the Commission of Enquiry Report which was carried out in Barbados. I think this is an extremely important document because it is a very thorough review done by that commission of enquiry. They looked at various documents. They had representations from people. I want to read one reference to do with the position of the *Bible* in this regard, and then I want to read the recommendations of that commission of enquiry. I think that is the best way that I can put another point of view on this.

This point about the *Bible* apparently is used frequently by people who want to support casino gambling, so it is not peculiar to Sen. Gray-Burke. This is what the Commission says with reference to that proposal:

"There are many references in the *Bible* to matters being decided by the drawing of lots, and some of the submissions to the Commission cited the occasion where that was so. However, those instances were not really regarded then as the playing of games of fortune, but as methods of settling disputes, dividing property, or determining the will of God."

So, I hope that answers the point about whether the *Bible* is supporting gambling or not. I am not a theologian, so I would not go into religious arguments. I just wanted to quoted from the Barbados Commission of Enquiry Report.

I want, then, to read very quickly, the eight recommendations made by that commission. Remember, there were seven people on the commission. Two wrote the Minority Report in favour of gambling, but five signed this Majority Report after a very thorough investigation, reading various reports, interviewing people,

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getting submissions. They even carried out a survey of the population which is reported in the report. These were the points they made:

“(1) The real risk of an increase in crime, especially money laundering, drug trafficking, fraud, prostitution and physical violence.”

These were reasons they did not want to have casino gambling.

“(2) The real risk of serious social problems associated with gambling, e.g. addiction, family disruption, mismanagement of income.

(3) The likelihood of saturation of the market locally and overseas...”

There may not be much money spent anyhow because competitors will have casino gambling also. The Minister of National Security should listen to this one.

(4) The large expenditure which would be necessary to provide and train staff and otherwise equip the Royal Barbados Police Force, the Welfare, Customs and Inland Revenue Departments to carry out their respective duties efficiently, and it was not justified at this stage of our economy.”

Now, in this point, Mr. President, I would just like to make the point that clearly, there will have to be regulatory systems in place. Now, if one looks at our history in Trinidad and Tobago, with respect to regulating bodies from the public sector; bodies operating in the private sector, it really has not been very good. If one looks at the Supervisor of Insurance, we had some real disasters with respect to insurance companies, and many people felt that this could have been, if not completely avoided, at least ameliorated, if there had been the use of the existing regulations, let alone putting more regulations in place. The same thing, I think, is true of the banking industry. Indeed it is not clear whether, even if there are regulations, if it is possible to intervene in advance in some of these instances. One really ended up trying to solve the problem after it occurred.

5.15 p.m.

Look at the horse-racing industry. It seems to be in a state of confusion, yet it seems to be under the general supervision of the Government and the regulation of the Government. Incidentally, in that regard, it seems to me very strange that the Minister of Industry and Consumer Affairs who is dealing with this matter, has not published the report of the group which he had set up to look at the horse-racing industry. He is still acting in somewhat *ad hoc* and arbitrary ways and setting up various

committees and so forth and he has not published the report. So we do not seem to be making much progress in that regard and horse racing seems to be nearly lapsing. Of course, that may be considered another form of gambling. I think, myself, it has some attributes which are not just plain gambling because they employ people to look after the horses and people go and look at the horse racing for fun, and seeing the competition between the horses and jockeys.

I was reading the problems that this majority view held on this Commission of Enquiry. I continue:

“(5) The absence of evidence supporting the assertion of increased tourist arrivals and increased employment.”

Now, really, if one is introducing a controversial measure of this nature, one should at least give some forecast of what the expectations are with respect to increased revenue and employment. It goes on:

“(6) There were definite alternative means suggested for improving the tourism product, namely, heritage, health, sports, eco, marine and cultural tourism. Their viability ought to be researched if this has not already been done. In addition, more aggressive marketing should be undertaken.”

Of course, we have discussed these things. The group in Tobago, according to Dr. Mc Kenzie, referred to the tourism master plan and indicated that all these things were discussed. We spoke of events tourism in Trinidad; we spoke of cultural tourism, and so forth. We have not exploited the historic aspect of our heritage, and so forth. But listen to this one:

“(7) 85.4 percent of the visitors to Barbados by air who responded to the relevant questions asked as part of the Commission’s survey stated that their holiday was not improved by the availability of casino gambling, and 44.3 percent were not in favour of its introduction, as against 17.1 percent who were in favour.”

So most of the tourists who come to Barbados, anyhow, are not particularly interested in it. I suppose one can say what we are looking for is the ones who do not come. It continues:

“Most of those who made submissions opposed it, including the Barbados Hotel Association, the Coalition of Trade Unions and Staff

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Associations and religious organisations of different persuasions, including the Barbados Christian Council which has the largest membership.

- (8) The Government ought to avoid becoming financially dependent upon gambling ventures.”

I believe the one country in the Caribbean—again according to the report—which is really dependent upon gambling, is the Bahamas. Of course, I suspect that they are in a somewhat peculiar situation of being close to the United States so they can have a very large influx of people who are interested in gambling. I think there—if I am not mistaken from reading the report—many of the casinos are owned by the government so they get the take anyhow. I do not know if we want to go in that direction here. But what they are saying is, do not get dependent upon this revenue, as some countries have done.

In their survey they found that only three countries were really foremost in getting a substantial income from this casino gambling effort: Bahamas, Puerto Rico and Aruba. The others, the income was marginal and hardly worth the effort. In the case of Aruba, clearly they have little else to offer by way of the environment and so forth. So I certainly would not be in support of the introduction of casino gambling. I can see no merit in it.

Another conclusion they have come to in another part of the report is that the people who really benefit on a long-term basis are the owners of the casinos. So are we going to distort our whole system? Again, what signals are we sending to the population? Just as I said earlier on, the measures that we have used in changing the allowances in the budget may be sending the wrong signal, so too I feel, even if casino gambling has no ill-effect whatsoever, the fact is that there is a perception that it does. Do we want to be sending a signal to the population that as a government, we are prepared to encompass this activity which a large number of people think is undesirable? I think, really, one does not want to do that. The problem we are having, really, is to keep our families together. So I do not think we should do this at all.

On that score of the family positions and the budget and going back to the changes in the allowance, and the aggregation of the pensions with the housing mortgage allowances, Dennis Pantin has produced quite an interesting analysis of the effects of those changes in the measures. What he has pointed out is, that a family in which both husband and wife are breadwinners and both earning a certain income, let us say, \$36,000 each, if they earn that \$36,000 separately,

their income tax payments are considerably lower than if the husband alone earns the \$72,000—quite substantially lower in his analysis. Because as Sen. Hamel-Smith has pointed out, husband and wife can both claim the \$18,000 so it adds up to \$36,000.

Now what signal are we sending to our young people? My second son who lives in the United Kingdom and has a mortgage and a property; his wife and himself both worked. She was an architect; he is a school teacher; she was earning more income than he was, but at a certain stage they started having children and they decided jointly that she would no longer work. It was not a question of macho image or women's liberation and so forth. They jointly decided that it would be better for the family and the young children if she did not work, and so they are getting by on his school teacher's salary.

But you know, if in addition to that, they had the peculiar situation—which they do not, I must say, in the United Kingdom—of, first of all, a change in the mortgage interest reliefs and, secondly, the situation where it is better if two partners are earning the income rather than one, it seems to me that they would not be able to strive towards having the home looked after on a temporary basis by the wife. Later on, of course, when the children are grown up, the wife, one would expect, would take up her profession again. So I think all these signals we are sending to the population with respect to what sort of society we want to have, are important. Apart from the measures in themselves, we must look at the signals we are sending by the measures that we adopt.

With those general comments on the budget and having stated my position with respect to some of the measures, I want to just briefly—because we have been at this for three days now—look at the situation in the agricultural sector. If we take Sen. Marshall's point that we still are relying very heavily on the oil sector, there are four other major sectors that we need to develop: tourism, services, manufacturing and agriculture. Agriculture is the one in which I have the greatest interest, so I must look at that one.

If one looks at the *Public Sector Investment Programme*—and I must say that I am in support of the Minister's measure of increasing the Public Sector Investment Programme to \$1.7 billion—there is no doubt that if we are able to do this, we can certainly start addressing, first of all, the depletion of our capital stock; the lack of repairs and maintenance, and so forth, over the years; the building of new schools and all the rest of it. So that is important and I certainly

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compliment him on having been able to achieve that. I believe that a lot of that is in construction and that would give employment. Even though it may be temporary employment, I still think that is a move in the right direction because that helps to address the problem. But, as Sen. Mahabir-Wyatt has pointed out, we have to look at the maintenance of the stock subsequent to that, the recurrent cost for each new capital structure that we build and, therefore, we must look at the increase in production which can only come, I think, from the other sectors.

With respect to agriculture, the total public sector investment of that \$1.7 billion is \$170 million. So it is a quite small investment in the agricultural sector. Part of that, some \$63 million, is to do with rural access roads. Of course, this again is nothing new; this goes back to the NAR government which first approached the IDB for an agricultural sector loan to deal with rural access roads. I have said repeatedly over the years in this Senate that I do not think this in itself will increase agricultural production and I honestly still will say it again. I do not see how you know which roads to repair unless you know what agricultural policy you have and where you are going to develop your agricultural sector. Perhaps if you do all the road layers in the country, then that is fine, but of course, that is impossible. So I do not think that is going to add very much to our productivity.

5.25 p.m.

Another sizeable sum, \$45 million is for upgrading the machinery in Caroni (1975) Limited. I suppose that is necessary. Again, that is part of the maintenance and upgrading, and one would hope that the result of that would be a better ratio of tonnes of cane to tonnes of sugar. I certainly would watch that over the next two years and see whether the expenditure and machinery has been able to increase our ratio, which was particularly low this year.

You know, I myself wonder whether we are not running ourselves into the same situation as the Leeward Islands find themselves in. The main activities that we seem to be putting substantial expenditure in, for production in the agricultural sector, is sugar, and that is what we should be doing at this time. In the same sense that we should be diversifying the economy, we frequently said that we must diversify the agriculture sector. I have said this before, the Honourable Prime Minister and myself spent a year of our lives in 1979, talking about diversification of Caroni (1975) Limited, out of sugar. So to me, it is very depressing to find that in 1997, we are talking about the substantial investment in Caroni (1975) Limited, and not about investment in the same company for diversification. It does not

really substantiate it in any way. Those are the main efforts in the agricultural sector.

Now, if I could just, very briefly, discuss the agricultural policy in general, because I honestly believe—I am hoping that the Government's white paper on agriculture will be presented to this House—certainly we may have a detailed and thorough discussion in which everybody can make their contribution. I will only refer to it very briefly now, therefore, I can conclude very quickly. The first shock that I had when I asked the honourable Minister for the policy document, which he very kindly gave me—it is a public document, so I am not divulging any secret—was to find that it was dated May, 1995.

Now this document, therefore, is a document that was prepared by the last Government, which has now been adopted by this Government as its policy. I can tell you, there was a great deal of criticism about this document at the time that it was produced. It came out first as a green paper—there were many criticisms on that, especially of some of the data—and then it became a white paper, largely by dropping all the data, rather than correcting all the errors that occurred, and then it is the white paper. Now it is the white paper of the UNC Government.

Sure it says all the right things with respect to what the aims and objectives are. You can read it in the *Medium Term Policy Framework* document as well—I think it is the same words that came out in the Minister's presentation. I quote:

"The agriculture sector has the potential to contribute significantly to Government's national development objectives. Government's policy for the sector will be designed to:

- increase employment opportunities;
- promote national food and nutrition security;
- facilitate an increase in foreign exchange earnings;
- promote sustainable management of land, water, forest and marine resources, which will contribute to social stability and the empowerment of rural communities; and
- facilitate the development of agriculture in Tobago."

So, those are all the right noises, that is what we want to do.

The real thing that we have to address, is also stated, not in the *Medium Term Policy Framework*, but in the Policy Statement:

Food And Agriculture Policy 1995—1997, Pages 23, and 24

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"As the sector continues to strive for increasing efficiency and competitiveness, the Government will institute, inter alia, a comprehensive trade and price reform policy, by utilizing appropriate tariffs and incentive measures. More specifically, these measures will seek to:

convert all quantitative restrictions on trade of agricultural products to equivalent tariffs with a phased reduction in tariff rates in accordance with the 1993 GATT Agreements;"

Now what have we been doing? We have removed the quantitative restrictions and we now put them on to tariffs, and we are gradually reducing the tariffs. At first I was pleased to see that the hon. Minister had not reduced the tariffs on agricultural products this year, but then I read it again and noticed what he said was primary agricultural products. I hope in his winding up he will explain to me what primary agricultural products means, because if it means wheat and soy bean, those are primary products which are processed here, then I do not see that we are doing anything for the agricultural sector if tariffs are reduced on the other products apart from those two.

The quote continues:

"contain the cost of Government's direct support payments and subsidies to the sector;"

Which again is what we have been told to do by GATT. While the developed countries still have substantial subsidies, we continue to remove ours in accordance with all the agreements that we have signed.

The quote continues:

"provide a framework for effective implementation of the new Anti-Dumping and Countervailing Duties Act in accordance with GATT."

Now this is certainly very important. What I would ask the honourable Minister is: How effective is the unit that has been set up to address the problem of dumping? I note, for example, that recently there was activity of this unit with respect to cheese, but, of course, this occurred after the company had gone bankrupt. Anyhow, have we really got the machinery to pre-empt? Are we looking at what possible dumping may occur? For example, recently there was a scare that chicken was being imported and sold at a price lower than the cost to import it. Are we immediately getting on to issues like that and putting our Anti-dumping Unit into operation? I think it is very important that we do.

You know, I really feel that if we are going to pursue the macro economic policies to which we have committed ourselves, we have to take some very fundamental policy decisions, which I do not see us addressing at all, and which again I have spoken frequently of in this Senate and to which I will refer again. If the Government is saying that it is now in a global environment, that it has reduced its protection, reduced its quantitative restrictions, reduced its tariffs and therefore, farmers are going to have to be more competitive than they were before, it cannot at the same time be saying, it wants a large number of people employed in production in the agricultural sector. If one wants a vibrant agricultural sector, which will therefore require services to be provided—and it also states frequently that agro-processing is important in the development of the agriculture sector. At the moment of course, our agricultural processing is based on imported raw material—so we can develop an agricultural processing industry and it does not affect the local production sector at all, because we have not made that linkage.

The point is, if we are going to continue to say this, and want an effective, competitive, agriculture sector, then we cannot at the same time say, we want a large number of people in the land, because our competitors are not competing in that way. Our competitors are replacing men with machinery, and they are being more competitive because they do not have to pay and, in any case, we are relatively high—relatively I say, much lower than, of course, developed countries, but a relatively high wage rate in this country—so, that is an issue we have to address.

When it comes to the competitiveness and the subsidies, let me give another example of what I think is an incorrect policy decision, if you are going to go in that direction. Let us say we agreed that is the direction in which we want to go—I have reservations, but even following your own path what you want—we subsidize rice at a price of 89 cents a pound. Now that subsidy was designed for small farmers, but if one is going to be in a competitive environment, competing with the world, one cannot expect small farmers to produce rice. One has to face that. It may not be politically nice to have to do it, but one has to face that, because the gross income from an acre of rice is too low for a small farmer to make a decent living out of it, at a reasonable price for the rice. So we spend \$17 million a year subsidizing rice, this is because we are getting small farmers to do it. Whereas what we should be doing is reducing some large subsidies and putting it into some commodities where it may be needed, and encouraging large scale mechanized production of rice. That is what Guyana has. We cannot compete with Guyana. Guyana does not have small-scale manual systems of producing rice.

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I know the honourable Minister says that we will introduce tilapia and so in aquaculture, and in some cases the rice is rotated with vegetables, so the money is really made with vegetables in dry season and so on. Nevertheless, if one is going to be producing a substantial part of one's rice, locally, one cannot do it in that way. Not if one is really going to liberalize and be competitive and have an open market and so on. The two things are contradictory.

In the Review of the Economy it stated that there was an increase in agriculture production in 1996. A lot of that comes from the production in rice. It stated so in the review. That production came partly because the large scale production in the Nariva Swamp in 1995 was late, therefore much of it was harvested in 1996. There was a drop in 1995 and an increase in 1996, but quite correctly—I am not saying we should not have removed the farmers from the Nariva Swamp—there is bound to be a reduction in rice production this year, and therefore I should suspect a decrease in agriculture production, negative growth in agriculture this year, because that substantial production is gone.

I have said this repeatedly in the past, and this is not to blame the present Government, at least they acted and got the squatters out, and the Minister I think is doing the right thing. What he said is not, no we would not have any production of rice on this scale in the swamp, we will decide how it should be done.

Even there I would give a word of advice, and I am beholden to my colleague, Sen. Prof. Kenny for pointing this out to me. If one is going to do an environmental impact assessment, one has to know what the plans are for the area. One does not just do a general assessment. So one has a proposal for ten thousand acres of rice in the Nariva Swamp, and then one does an environmental impact assessment based on that project proposal; the project proposal is going to give fair details as to how the system would work; then one does an environmental impact assessment. You do not go to an agency that wants to preserve swamps, for the money to do that assessment; you take that out of your own resources.

5.35 p.m.

Mr. President, even accepting the policy thrust that the Government says it has, repeatedly—not this Government—the last three governments did not face the hard policy decisions that they must face if they are going to go in that way. So, of course, what happens is that the agricultural sector dies and it will continue to die. With all the pious words about agriculture it will die. It has got to so low a level—I am sorry I have to repeat what I said before but I must say it again

because it does not seem to get through—that it would not just rise again by pious words. The Government has to intervene. I have repeatedly suggested two methods of intervention which I think are bound to work.

Now, I must say again to the hon. Minister—he has set up a small committee to look at the School Feeding Programme on which Sen. Prof. Kenny and myself sit—that I have no doubt he has the right approach, but one year ago I said to him in this Chamber that the problem may well be with the Minister of Finance. There has been no increase suggested in the school feeding budget for this year; it was \$65 million last year and it is \$65 million this year. So, again, even if the Minister of Agriculture, Land and Marine Resources would like to see the School Feeding Programme as the engine of growth of the agricultural sector, providing a market of perhaps \$300 million worth of food, has he been able to convince his colleagues? It does not seem so, because the Minister of Finance and Minister of Tourism could have put that amount in the budget. What Sen. Prof. Kenny and myself have suggested is that we should, first of all, have an action plan prepared by full-time consultants as to how the School Feeding Programme should be developed to feed all the schools—primary and secondary—five days a week, including vacations and describe a linkage between that programme, the caterers and the farmers.

Mr. President, that is one thrust that can be used to increase local food production and utilize the food. At the same time there is a marvellous possibility to provide a social service because it is the poor people who have the problem, the rural poor especially. People think that the urban areas are squalid and so forth and that one is better off in the country. On a television programme two nights ago there was a man in the rural area of Rio Claro and he does not have 10 acres of land although he is in a rural area. He just has his house spot and he is as poor as anybody in the town. We say it. All the documents talk about the rural areas and that we are looking after the rural areas and so forth.

I am sorry if I sound a bit cynical, but really I did not excuse it in the NAR Government, I did not excuse it in the PNM government, how can I excuse it in a government that is rurally based even more so? So, the third time around I must sound a little more cynical and disappointed. Honestly, this Government has to show that it is different from the other two in this regard. How can it come along and adopt the last Government's policy which we all have been criticizing for the last so many years?

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So that is one thrust, the School Feeding Programme; a social measure that has a developmental aspect to it and one should structure it so that it carries out that development. The Government should not just give out the food and have it all based on imported foods because that would not achieve anything with respect to developing the agricultural sector.

Let me take two areas that I mentioned, both in which I am involved and, therefore, I feel I have some knowledge. We say that we want not only to increase local food production and consumption but we also want to achieve more export earnings from the agricultural sector.

One of the exports we had as a very important one from Trinidad and Tobago was cocoa. Everybody knows that Trinidad and Tobago is famous for its cocoa. I am head of the Cocoa Research Unit at the University of the West Indies which is an international unit, but is supported by the Trinidad and Tobago Government. In fact, more so than one would expect given the size of our existing production in Trinidad, but it is historic and traditional. It is quite right that they should do so, but it is also right that they should do something about the declining cocoa industry.

Mr. President, governments have tried repeatedly to rehabilitate the industry and have failed. Yet, one would see in these documents, again, that Government is going to rehabilitate the cocoa industry. It will not work. We have already spent millions. If we translated the 1960s money into current money it would perhaps be hundreds of millions on rehabilitation schemes which failed.

In 1992, as I have said before in this Senate, the PNM government set up a group of cocoa farmers, technologists and people from the ministry. We looked at the situation of the whole industry and we said if one wanted to increase the cocoa production the thing to do is to target a 5,000 acres increase over the next five years. If we had started in 1992 we would have been well along the way now.

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. D. Mahabir-Wyatt*]

Question put and agreed to.

Sen. Prof. J. Spence: Thank you, Mr. President.

So we go back to that. This is another area in which we can make a positive. Now, not local food production and consumption but export because we still have a fine flavour cocoa on the market. In one of these documents we talk of the fact that our flavour image is tarnished. Can one imagine any country saying in a public document that it has a tarnished image? I do not think it has a tarnished image, but that is what we are saying. We are saying that our image is tarnished with respect to our fine flavour cocoa. We are still recognized by the National Cocoa Organization as producing 100 per cent fine flavour cocoa and we are saying that it is tarnished. We are having problems because, again, small farmers with very small acreage of land are producing a crop which has a low margin per acre and, again, you cannot have too low an acreage because you just cannot do it.

First of all, cocoa has to be sweated properly so there must be a certain volume of production going to the sweat box otherwise the flavour does not come out and there would be a poor quality of cocoa. What has happened is that the farms have gone out now. A farm in Trinidad is producing on average, 100 pounds of dry cocoa an acre. The potential is 1,000 pounds and there is one farmer who has 50 acres of land using a new variety which is bred by the Ministry of Agriculture, Land and Marine Resources—the only successful cocoa breeding programme in the world—producing 2,000 pounds of cocoa. Yet we are talking about rehabilitating farmers who have 100 pounds of cocoa per acre. It just will not work. Why are we wasting money on it?

Mr. President, sure we can talk about the cocoa industry but what we suggested in 1992, which I still think is the way to go, was that Caroni (1975) Limited or other Government agencies should give out contracts to private entrepreneurs to develop blocks of cocoa which they will plant and bring to bearing. Then, you will sell the option to lease to farmers—university graduates, ECIAF graduates and so forth; do not give it away because if people get a handout they are never going to use it properly—with loans from the Agricultural Development Bank. We can calculate it and such a system can work if we had a minimum of 35—50 acres, even better.

The Government is advertising Non Pareil to private people but nobody has taken it up. Why does the Government not plant up Non Pareil estate's 1,800 acres in cocoa? Non Pareil is an excellent estate for producing cocoa; the land is good for cocoa. They can plant it up by giving out contracts to various private people to do 50 or 100 acres, develop the whole thing in cocoa. They can have a central

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fermentry there so there will not be the problem of someone trying to ferment the cocoa and getting low quality, then sell the option to lease to the farmers—do not give it to them—and have a large enough acreage so they can do it.

This is what we discussed in 1979 for Caroni (1975) Limited's diversification programme. So I cannot understand why, with Mr. Panday as Prime Minister, this does not seem to find favour.

5.45 p.m.

What has Caroni (1975) Limited done in that regard? Diversified? They planted 3,000 acres of citrus. I have repeatedly said that on the state farm, praedial larceny is rampant because everybody feels the produce belongs to the Government, so one can steal it. The wage rates, the hours of work, the conditions of work, and so forth—quite naturally I am not criticizing it, but there are government's systems which were not really designed for agriculture—which no doubt Mr. John negotiated for them, make it very expensive to produce the citrus because of what they lose.

Sen. John: Sen. Spence, I do not represent the workers at Caroni (1975) Limited and I do not want to clash with any union that may be doing so.

Sen. Prof. J. Spence: I should put it differently, Mr. President. They were able to achieve those measures, through the fact, that Mr. John has already achieved in another sector. Seriously speaking, why is it that 3,000-acre blocks are not divided into 50-acre blocks, and again sell the option to lease, that would bring the Caroni (1975) Limited some \$15 million, which they can use to develop another 3,000 acres? Trade in livestock, they have good dairy herd, I am sure they do not make money because they are managed by a state farm. At the same time they are saying we do not want all this Government intervention, the private sector can do it, we have a state farm, and we run it in that way.

In the agricultural sector I do not see the stated macro economic thrust of the Government translated into policies for the sector, which would take it forward. All I see are these pious statements about the importance of agriculture, and the fact that it is going to require a lot of labour. The labour it will employ would be if the rural sector as a whole develops; then there would be more stores, the people would have disposable incomes, and they would have to provide goods and services for the stores, and the rural sector develops, but not by the people on the land. I think it was Sen. Dr. St. Cyr, who pointed out, that Arthur

Lewis' concept of industrialization was in order to take people off the land, so the agricultural sector could become more efficient and competitive. The last three Governments have been saying put more people on the land, but if we want a competitive environment, where one must compete, again, I just do not understand it. Even some of the crops that are proposed to be grown, there is talk now about growing corn, this is grown by the square miles in the United States, it is one crop that is fully recognized in that country and, therefore, the world market price is relatively low. It is going to have to be subsidized here if it is going to be used for livestock feed.

There again, our macro economics understanding, even though sometimes one knows it, does not seem to be clear, or to translate itself into policies that are consistent with that thrust. On the other hand, let us say that we do not want to do it in that way, yet, I cannot see us putting any instruments in place, because none that we have put in place in the last 10 years, has had any effect on the agricultural sector. Therefore, we must at least ask ourselves: What are we doing wrong? Sen. Spence may be talking a lot of nonsense, he is not really telling us what we can do; that cannot work. Why do we not do something different ourselves then? What we are doing certainly has not worked, and I predict that at the end of 1997, 1998 or 1999, it would not work either, if we follow the same course.

Mr. President, that would be my position on the agricultural sector. Honestly, let us have a really in-depth look at the policy issues first and then look at some particular instruments that we must use to get the sector kick started. I believe, once this is done, and there is a fairly substantial local production and utilization—the school children hopefully changing their habits, educating their parents, perhaps, about the use of local food material—and we have selected some sectors for export; another one is the ornamental industry, which has been taken off entirely due to the efforts of the private sector. But then, what about the areas of government policy that can assist?

One of the things is water. It not only applies to the ornamental sector, but also to poultry, animals, and so forth. In the agriculture sector we are still paying too high a price for water, because we are paying the same as the industrial users of water. Even if a farmer digs a well on his own property and takes water out, which is pure water, not chlorinated, no treatment at all, he pays the same price for the water that he is pumping out of his well, as the industrialist does for his water that is conveyed to him through pipes that have to be maintained, and so forth. Nothing is being done about this. Yet in California in the United States, a very dry area, the

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water supply to the farmer is heavily subsidized. That is what one is competing against, so at least try and level the playing field for one's farmers.

Land and land rent. Repeatedly I have said if one really wants to shift people into agriculture, decrease the land rent, or remove it; zero, for productive use of land, and increase it if one wants to have lands lying idle. If people have an extensive acreage in which they are going into coconuts, or something which has a low yield per acre, so one has to have large acreage, one has to pay the same \$20 land rent for 500 acres as one would for one or two acres of land. That needs to be looked at. There are some policy decisions in respect to things which the Government can do right now, because these are changes which could be made now, tomorrow, which would assist the sector in these ways. I agree with Sen. Mohammed that there are things like markets that need to be improved, and I think the Government is looking at those. We find that the *Public Sector Investment Programme* does include work on markets.

Honestly, in this day of information exchange, I cannot see the point of moving NAMDEVO down to Debe—I do not see what that is going to do. Because of the communication these days, it does not matter where it is, so do not feel that is a big deal. However, if it gives them a feel for a rural environment which they do not have sitting in town, fair enough. Move the Ministry of Agriculture Land and Marine Resources out of town as well, it probably should be in central anyhow. But let us address the things that are really important, instead of looking at some marginal issues which really are not all that important when it comes to the thrust that we want.

Thank you.

The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung): Mr. President, let me begin my winding up by saying how intriguing this debate has been, both inside and outside, this honourable Senate. If I knew that I was going to present a budget that would have invoked so many comments, I really would have tried to temper it a little bit. Unfortunately, or fortunately, depending on how we look at it, I thought that the budget, which was intended to touch as many people as possible, seemed to have touched more nerves than people.

As a general comment, the criticism that came out to the budget, and permit me to use the word criticism, that came from the independent sides, I regard as being very constructive. What I regard as being even more instructive for me, is that I actually had 10 contributions from what was supposed to be a nine-member bench, so I guess the Independent Bench has actually paid VAT. On the other hand,

I cannot help but still feel the ringing comments from the Opposition Benches. To my mind they seemed to be emotive and alarmist than anything else, but they too are most welcome. I think that generally speaking, we have had a very interesting three days of budget debate. I have listened as carefully as I could. I know there have been times that I have been called to do other things, and I know some Senators may have felt that I have slighted them, but permit me to offer, in the way of an excuse, that there are a couple of other things which are outside of this Senate which have demanded my time from time to time. My sincere apologies for that, but I did take the pains to, at least, try to understand what the gist of each contribution has been.

In terms of a budget, I think I need in my winding up to put it in context. Our *Medium Term Policy Framework*, is as it says, medium term. We say three years, but one can argue that medium term should really be two or three years, as the case may be, but ours is meant to cover the period of three years. What the budget does, is that it indicates how much of that three years we are going to achieve in any one year, and it rolls over, as it were; we would drop one year, the year that we have had some experience in it, and add another year. So that is basically the process that we used to indicate our economic policies moving forward. I want to add as well, that there are some people who seem to think that a budget document could not be anything more than an economic or accounting exercise. Far from that, what we see is an opportunity for us to indicate some of the plans, programmes and policies, that the Government would be pursuing in the ensuing year which is in this case 1997, 1998, and 1999. That is not to say that the *Medium Term Policy Framework* is cast in concrete. It merely indicates the direction in which we are moving, and that we will be subject to influence, both within (again meaning the population of Trinidad and Tobago) and without, (meaning the global environment in which we live) and we bring those influences to bear to make sure our policies are heading in the right direction. In our budget, we tried to indicate as clear as we can, how much of that *Medium Term Policy Framework* we hope to achieve in the ensuing year.

5.55 p.m.

This year, I would think that we tried to achieve a number of objectives. One is, we want to maintain the liberalized economic environment that had been started by previous administrations and which, to some measure, I would refer to as the global influence. The rest of the world has become liberalized and barriers have

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been broken down and, unfortunately, we have had, with some discomfort, to break down those barriers more quickly than we would have needed to. Some sectors have reacted more positively than others. I think we can say that we are the pride of the manufacturing sector for the whole Caribbean and that the rest of the Caribbean, for argument sake, is really very envious of the role that the manufacturing sector plays for Trinidad and Tobago and for Caricom today, given the fact that we had broken down our barriers like the rest of the developing world and, therefore, we have had to subject our manufacturing sector to the trauma of either shelling down or more importantly, retooling and becoming more efficient, which is what they have done. They have responded to that and today the manufacturing sector can look with a certain degree of pride and confidence towards extra-Caricom markets.

Our liberalized vision includes trying to achieve the basic economic indicators that have been literally time-worn. We talked about keeping inflation in check; we talked about the stability of the exchange rate; we talked about the economic growth that we hope to achieve and about what we are going to do for unemployment. To some measure, we are literally on track where that is concerned.

One of the aspects of our vision is to ensure that we achieve some public sector reform. My colleague, Sen. The Hon. Mark, has indicated some areas that we want to achieve in 1997. The budget had a little spin in it in two very small areas. Firstly, that we want to have tax administration simplified and secondly, that the licensing issue has to go. It is really impractical for any one office or a few offices, as the case may be, to have the right resources to cope with 300,000 or 400,000 applicants on one day because the law says you must have your licence renewed on January 1 or the first working day thereafter. Generally speaking, it would mean that if you needed one clerk for every 10,000 persons—and I am assuming that is what is needed to do it in one day—then you would have to provide a host of clerks on one day and then they have nothing to do thereafter. In terms of business, that is impractical. We felt we should, instead, review the whole scenario.

The first thing we looked at was the possibility of having people skewed throughout the year by having them renew their licences on their anniversary date. A more practical suggestion came up and that was, why bother with it in the first place? Why not just have people pay their licence fees based upon the usage of the road, which is what it was intended for in the first place? Namely, pay at the pump.

I know it has created problems for people like the fishermen and for other people who use pumps and other things.

We can never get any one system that will address all of the problems. At least, on Thursday, January 2, 1997 we will see no long lines; we will not see the frustration that has been caused; we will not see the inconvenience, where the motoring public have to leave their place of work to go down there and be faced with wrong records, with a cashier who goes out on leave and has to take his lunch and so forth. So the whole administrative reform to us means it is much simpler to collect the tax or the licence fee at the pump. That is the kind of public sector reform that we will deal with.

The third plank of this budget is the question of the PSIP. I have made fairly heavy weather by saying that, unfortunately, we have gone through a period of boom into a period of buss—pardon that expression—and into a period of adjustment. Unfortunately, during that period we have not had the wherewithal to assign enough resources to ensure that our capital stock is not depleted and, therefore, we started the tough, unpopular decision, if one can say that, of saying we were prepared to assign more money to make sure that our capital stock is replenished. To do that we have to replace things that have been run down, broken down and in addition to that, we have to build new capital stock.

A very good point made by Sen. Dr. Mahabir was the question of maintenance. What I thought strange in this very valid point was that he talked about the maintenance of the new projects, but he never asked what about the maintenance of the old projects. Look at this place! What about the maintenance of the Red House?

In essence, we need to ensure that maintenance is addressed in my view, very holistically. Take care of what you have, maintain those and make sure that you can project and plan for what you intend to build and for its maintenance. It is a very valid point and it is certainly something I am going to cause to be introduced in future budgets.

The final plank that this budget rests on is how do we approach the question of diversification of the economy. Again, Sen. Prof. Spence's remark is still ringing in my ears with respect to agriculture. It is a pity I am not the Minister of Agriculture, Land and Marine Resources and I am not in a position to respond to him. Everything that the Professor says makes sense. I want to challenge one small area and that is, I prefer to see a large number of small holdings rather than

one large holding. He is right. If there were several large farms or very few large farms then the way to go has to be mechanization, in which case there is going to be no great employment opportunities. I would assume—I am no expert and I have to bow to Sen. Prof. Spence's superior knowledge—that if there are a number of small shareholdings which are principally family-type holdings that are using crops that are quick turnover, maybe one can find a lot more going in terms of employment opportunities. That is, to my layman's mind. I will surrender to his vast experience and knowledge in this area.

I would like now to address the contributions made in three areas. Firstly, the question of casinos, secondly, the allowances and the simplification to the tax and thirdly, I will just talk a bit about some of the specific issues that were raised during this debate.

Sen. Prof. Spence: Hon. Minister, I wonder if you could also address the difference between the revenue and the \$2 billion budget.

Hon. B. Kuei Tung: I started to talk a bit about the motor vehicle licence fees and the fact that we see this, not just as change for change sake, but a change that we think will redound to the benefit of the people. I already alluded to the fact that the motoring public who are required to renew their annual licences will not be subjected to going down there or to be stopped and asked whether they have paid their licence fees. Instead, we are going to collect at the pumps. It is not a cure-all. It was never intended that it would satisfy every aspect of our needs but certainly, we felt it was fairer, it was more equitable and meant to indicate to people that at least one now has an opportunity to decide how much licence fee one wants to pay—if I can use that as an argument—in the sense that one can determine how much one wants to remain on the roads. Therefore, one can pay the amount of fee depending on how often one wants to go on the road, namely, at the pump.

I know there are arguments for persons, particularly at the lower end of the market, who may feel that they have been targeted merely because there is a threat of maxi-taxi drivers increasing their fares. We are hoping that because we have seen a trade-off, namely—and I know that some people have said that the cost of spare parts has gone up. When we tried to unify the rate, it was never supposed to go up, it was supposed to be unified at the lower rate.

6.05 p.m.

In speaking to my colleague from Customs, I have been assured that there would not be an increase in cost. As a matter of fact, there has been a decrease in

cost because many of the parts that were lower than the unified rate have been kept, and things like spark plugs and so on have been kept low. The one that has gone up is not the cost of the spare parts as such but the body shells. That has gone up, I think from 2 1/2 to 5 per cent or something like that. That is on a body shell, which to my mind is a capital cost, not spare parts, which is a recurrent cost. Hopefully the maxi-taxis will understand as well as the truck drivers who all use diesel, that we will try to put as small a cost in terms of the increased cost of petrol, and that ultimately whilst it seems to be going the wrong direction, I know the environmentalists will claim: "Why do you not have no cost for CNG, a high cost for diesel and a lower cost for unleaded?" It really was not meant to be an environmental measure. It was meant to pick up some of the forgone revenue because of licence fees being removed.

I have indicated that licence fees in the past have collected for us as much as \$50 million. We expect to collect a little over \$40 million from this measure and we have deliberately gone that way in the hope of keeping the cost of transportation down and not subject the people who use maxi-taxis to an increase.

With respect to casinos, I think there has been a bit of a human cry that has come, principally from people who think that casinos bring this dirt of illegal and illicit activities that seem to be suggested with it. It is not our intent to have a casino on every corner. It is certainly not our intent to have a casino in every nook and cranny. We see this as merely improving our tourism product. It seems as if people think that the budget—and this is obviously for the wider community—is the one that brings it into law. Casinos are not yet law, and we know that. I think I need to speak to the wider community and make sure that people understand that it is not legal for someone to open up a casino tomorrow morning. It is just not like that. We firstly have to listen to the comments being evoked because we say that we would like to use casinos as part of our tourism product or to expand our tourism product. Secondly, we have to bring an amendment to the Betting and Gambling Act here and to the other place so that we can have another opportunity to look at it.

For argument sake, when we speak of hotels in terms of resource, please do not think of commercial hotels. By commercial, I refer to hotels that principally stay in towns and I talk about the large chains that operate throughout the world. These are not the hotels that we aimed at because these hotels have no interest in developing our tourism product or developing our tourism industry. The hotels which we have to speak to and which we have been speaking to are the resort-type

hotels. We have had a number of them come to us and say, “Well, what about the possibility of a casino?” When we said that our laws do not permit casinos, we did not hear from them thereafter. When you find out what happened, they felt that if you were serious about your tourism product and your tourism industry, you have to consider gaming and casinos.

Let me also say on record, I do not gamble. The biggest risk that I take is my job. I have no interest whatsoever in gambling and I am not going to sit and say that I am holier than thou. I do not even buy a lottery ticket. When I am forced to, by a very aggressive vendor, I merely give it to one of my friends or I discard it. I do not look to see whether I have won or not. I know that my chances are not that good in any event. I also know, as Minister of Finance, that if I won a lottery, I will be hounded out of office so I prefer not to win any lottery in any event.

I have no particular interest in casinos, except as Minister of Tourism. I have to listen to hotel investors and the hotel investors keep telling me, “You have serious problems if you want to develop your tourism product in Trinidad and Tobago. Firstly, you are too far South; secondly, you do not have the same attractions as the other places. You do not have the sun, sand and sea that the others seem to have.” [*Interruption*]. I always thought you were a serious young lady, but this evening really opened my eyes and that is why I would suggest you should probably stick to law.

Therefore, it is really something that we hope the people in Trinidad and Tobago will understand. It will not be done in a way to throw our family values or to throw the morals that we have in Trinidad and Tobago out the window. In fact, it will be done on a very limited scale. We will ensure that if necessary, it will be applied but it will be part and parcel of our tourism package without which we have continued to suffer.

One criticism that has been levelled on us is that it was not mentioned in the tourism master plan. I happen to have met the people who developed the tourism master plan and they have told me, very seriously, that the reason they never put it in the tourism master plan is because, in their discussions with the Government of the day, they were told that there is no way they would accept their report if it had casinos in it. As a result, you had a tourism master plan which was modified—if you would allow me to say that—to suit the person who hired them in the first place. Therefore, in essence, it is not that the *Tourism Master Plan* deliberately said we do not need casinos. It is the fact that they felt that the Government of the

day had no interest in casinos and was not even prepared to countenance the suggestion at the time.

We have a situation here where people feel that we do not need it. I heard my colleague, Sen. Mc Kenzie and her group. I am not one to pretend that I will want it or not want it. I have no such moralistic views. I merely indicate to this honourable Senate that without it we are really not going to go very far in terms of our tourism product. I hear about “shotgun” marriages. The law which came before this Senate never said anything or suggested any “shotgun” marriages. I think everyone around this Senate knows now that the law was meant to accommodate foreigners, not for locals. It had specific parameters within in. Even in this Senate, we came and modified it until we were satisfied that it was something we wanted for Trinidad and Tobago.

I think if you allowed the casino amendment to the Gambling and Betting Act to come, you will have every opportunity either to modify it, reject it, or otherwise. I merely want to state that as Minister of Tourism, I felt that it was my responsibility to bring it forward and to say that without it, at least the one thing we would have learnt from it, is precisely how the people of Trinidad and Tobago feel towards casinos.

I heard many people defend the idea of retaining allowances. Maybe I need—in terms of talking about the tax simplification system—to go back a little bit for us to understand. I recall the days when I first started to work the top marginal rate—and I am sure Sen. Montano will remember this—used to be 70 cents on every dollar. Seventy cents on every dollar. Do you remember that Senator? What happened then? In those days the numbers were fairly small, incidentally. It is not the big numbers that we have now which have all been inflated. In those days I think it might have been as much as \$50,000 chargeable income, you started to pay 70 cents on the dollar. It meant that every dollar you earned, the Government took more than they left you with. So what happened then, is they decided as an economic tool, to pitch certain allowances so as to tow you in a particular direction because it was a tremendous inducement for anyone to go in any direction in which the Government chose. If you wanted credit unions, guess what? You put \$500 and if you already had 70 cents, Government was putting \$350 and you put \$150. That was a tremendous inducement. If you wanted to buy shares in the Unit Trust, that is the way we went.

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Coming down from that, we have reached the late 1980s, when Value Added Tax was introduced. You now have a system of direct taxation, a system of indirect taxation and somewhere along the line, the intent was that you try to harmonize the two so that you can co-exist, but that you do not overtax the people of Trinidad and Tobago, because it did not make sense. If we have rates coming down; the top marginal rate is half of what it used to be. Our top marginal rate has already reached 35 cents. For one, it is losing its value as an inducement. For another, it is really becoming meaningless to tell people that we are going to keep all these allowances and credits and deductions up, but we are going to bring tax rates down, because where is the tax going to come from? It means that people who were extremely tax efficient will pay little or no tax but they would be high earners. It means, therefore, that the whole tax base was being eroded. It also means, that if we are committed to a system of having lower tax rates which will co-exist with value added tax, where you now have two systems: one in which the amount of tax is lower but you have much more discretionary income in your hand; on the other hand, you now have an opportunity to decide how much tax you pay because of your consumption habits. You now have two systems that were meant to be reasonable and they can only be reasonable if we agree that the Value Added Tax system is going to remain and instead, we are going to have lower taxes.

6.15 p.m.

If there should be lower taxes, surely the system of allowances, deductions and credits must fall by the wayside. It is not that this Government is against credit unions. On the contrary, the Ministry of Finance and I have been working very assiduously with credit unions to bring them around because there are problems which we want to address. We do not want to feel that as a government our policy is to give huge allowances for credit unions and have people's money squandered because of mismanagement. We want to help them to do a number of things such as to become more efficient; self-reliant in terms of the way they go about marketing their services, and to ensure that we level the playing field. That is why I have given the undertaking that very early in the new year we would bring legislation to allow the credit union movement to compete more effectively with other financial institutions.

It is not attacking any particular area. It is a question of taking the tough decision of saying if we are committed to lowering taxes, then these allowances must go—that goes for if it is a credit union and non-governmental organization.

Certainly, it is not the intent of the Government to attack non-governmental organizations. The information which has been given to me is that \$29 million is the amount claimed for deeds of covenant per year. There are about 360 non-governmental organizations which are registered that benefit from it. We know who are the beneficiaries and the payers. We want to encourage the people to pay their 65 cents and the Government would find the other 35 cents. It is that way that we came up with \$10 million to give to the non-governmental organizations. We have to put things in place to ensure that they are not put under any undue hardship.

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I am sorry to interrupt my colleague. On a procedural point, we have to move a motion that this Senate continues to sit until the conclusion of the matter now being debated.

Question put and agreed to.

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(BUDGET)**

[Third Day]

Hon. Brian Kuei Tung: Mr. President, it is merely that the Government finds itself committed to this particular system. Bear in mind, as I said, it is hoped that the Board of Inland Revenue can change its focus. Since I have been of working age, Trinidadians and Tobagonians have found that it was a tremendous pastime each year to see how little tax we can pay and then the Board of Inland Revenue now plays the other side of the game, where it tries to take as much tax as it can. We want to change it to become more focussed. The Board of Inland Revenue would now have a simpler tax system to administer. The people would understand that we are committed to them to pay a reasonable rate of tax, whatever reasonable might be. At least we would find that the people can start buying into the fact that they have to make a contribution to the running of the country and that contribution is affordable. We are working towards that.

With respect to mortgages and annuities, there were demotive language and criticisms saying that this would spell the death knell of the insurance industry. Then the insurance industry said that when it removed the 40 per cent allowance for insurance premiums, instead of insurance premiums which are not allowed by

any stretch of the imagination for tax purposes—last week, I was told by one insurance company that it had written \$150 million in annuity premiums. I cannot see how an industry which is blossoming like that with very little tax benefit is suddenly going to get it.

In any case, we have retained one window. Let me clear the air. Our fiscal measures say that for “each individual income”, so we are addressing the question of each individual as a taxpayer. We are not advocating that the allowances should be only for the man or the woman. Certainly, my colleague here is quite pleased that at least, I am being equitable to both genders. Both the man and the woman can claim the full amount of the \$18,000 allowance, provided that they are both owners of the house or the mortgage. You could not pay for a mortgage if you are not named to it.

It was intended and all our models have been developed to show that we wanted each individual to have a \$20,000 tax-free base to start with or non-chargeable tax, as well as have an \$18,000 limit. That is where we are moving and how we want it to be. It would get simpler and possibly harder, but it would mean that the tax rates could come down. The only way those tax rates would come down from 28 and 35 per cent is when we have had some experience as to how we would allow those allowances. More allowances would go by the wayside. The reason for this is because that is the only way we would bring down those marginal rates.

Sen. Dr. St. Cyr: Thank you. Mr. Minister, could one working spouse or one spouse working outside the home employ the other working spouse as housekeeper?

Hon. B. Kuei Tung: If I answer that by saying, not if they are married, then you would tell me I am encouraging people, as Sen. Montano said, to cohabit without marriage. That is not possible. It is not possible for a man to give an employment letter to his wife for her to start claiming more allowances.

I would now speak about this question of alimony and maintenance. There is a technical reason why alimony is kept. It has nothing to do with what message we send. I know it sounds as if we are sending a wrong message. Sen. Montano should have known better. We are not encouraging people to get divorced merely to claim allowances. If you need to get a divorce, my colleague, do not use the Minister of Finance or the budgetary measures for that matter. *[Laughter]* That is unfair. Instead, understand that in the hands of the payer, if one is divorced and

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had to pay alimony, if a deduction was not allowed, that person would be taxed. It means that person would be paying out of after-tax money. When the recipient or ex-wife collects it, she, too, is taxed. In order to avoid the incidence of double taxation on one form of income, it had to be maintained.

It is not that it was being maintained as an allowance. It merely means that it is simpler for us to say, allow it for deduction in the hands of the payer, so that it would be taxed in the hands of the recipient. It would only be taxed once. If that is not done it would be taxed in the hands of the payer and the recipient. There is a very simple reason for that. It had nothing to do with us encouraging divorce, nor are we going to suggest that men should tell their wives it is better to live in sin because they would get more allowances that way. That is the furthest thing from the truth.

I have supplied some statistics which Sen. Mahabir-Wyatt spoke about, but that was the best we had to use in terms of developing our model. We realize that it may not be totally foolproof but we used the averages which we had. I knew for argument sake the amount of mortgage interest has been claimed as a global figure. I cannot remember the exact figure it came up to and we divided it by the number of people who claimed. That is how we came up with an average. As I said, it is not perfect, but the average came up to over \$8,300. Similarly, for the annuities and pensions it came up to about \$3,000. When we first started our models we started with \$12,000, then \$15,000 and we kept moving up until we were satisfied that we could not go up anymore in terms of giving it as an allowance. We made \$18,000 per taxpayer. I keep reinforcing that point that it is \$18,000 per taxpayer. It would reach the point when ultimately there might be a flat band of tax-free income to help all those at the bottom end, and give the same allowance to all taxpayers and have one flat rate of tax. We may get there.

Sen. Prof. Spence asked me about earning \$10 billion and spending \$12 billion, how does it balance? When we talk about surplus we mean on the fiscal side. It is not a question of what you are thinking which is principally a cash balance. There is a cash shortage, but on the fiscal side we say that we are bringing all the revenues, and we deduct all the recurrent expenditure. That would give us a fiscal surplus, or deficit, or balance as the case may be. On the fiscal side, we would raise about \$10 billion and we would spend about \$10 billion. In addition to that, there is a host of other things which we collect throughout the year. These include loans we have signed which we would drawdown on and there are grants. I do not remember them all. If you wish, for the purpose of this Senate, I could provide a

copy of the fiscal budget or surplus, how it is arrived at and the things we have left out.

In this budget, I have attempted to indicate the extent of the expenditure which the Government plans to spend to give an idea of the amount of investment we would be making in the country. That investment has to be financed by either short-term or long-term borrowing as the case may be. That is not part of the fiscal statement and therefore we leave those things out within the conventions that have been used for Government's accounting.

6.25 p.m.

Sen. Prof. Spence: Your Appropriation Bill is about \$12 billion, and when one looks at the revenue, it is \$10 billion. Is that not the fiscal?

Hon. B. Kuei Tung: No. I do not have it now, but I can show you all the items in the Appropriation Bill that are not considered as fiscal. That is why I said I will provide another statement to show the fiscal and how we arrived at that surplus, and what were left out in terms of the appropriation.

For argument sake, in the Appropriation Bill, pensions are not considered part of one's fiscal because pension is a direct charge on the Consolidated Fund, so when I talk about our surplus on fiscal, it is the things that—well, we appropriate money out of the Consolidated Fund and spend it, that is the fiscal of which I speak. As I said, Sen. Prof. Spence, I would undertake to give you a statement showing precisely what I am talking about in terms of fiscal, and the things which are left out that are not considered part of that statement.

Sen. Dr. Mahabir: Hon. Minister, I understand the terminology and the language that you are using, but is it not accurate to state that the impact of 1997 budgetary estimates is that the stock of public debt will rise by over \$2 billion?

Hon. B. Kuei Tung: I was hoping you would not confuse the Senate with those other terms. Yes. It is quite accurate to say that, and that is basically where we will get the balance, but the capital stock will rise by over \$2 billion and there are some financing gaps that have to be made up. I did not want to get into a long lecture to confuse people with respect to using accounting terms, that is why I tried to explain it as simply as possible, and why I would undertake, instead, to give the statement, so when we talk about fiscal, one would understand clearly what fiscal means.

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I have already dealt with the maintenance and alimony. As a policy, I have attempted in 1996 and 1997 to keep away from exchange rates, and Clico and Republic Bank, which are some of the arguments that people raise and expect to see in a budget. In my earlier statement, I tried to indicate that each individual expects different things coming out of the budget. Maybe the directors of Republic Bank thought that I would have dealt with the Republic/Clico fight and the Clico directors thought the same; maybe even people in the streets thought so.

In terms of exchange rates, we have had a history over the years and I have tried to make a number of changes. People have always felt traumatized at budget time and we have had the case where people used to run and stock up on things merely because they expected prices to go up. Instead, one of the features of this budget is that I have put everything to start on January 1, 1997. It is almost as if I am telling you this is what I plan to do on January 1, 1997 so I have not taken any measures that came into effect immediately. I have done that deliberately because I felt that the people of Trinidad and Tobago should really not be subjected to any trauma thinking that things, such as licence fees, are going to go up, and run to license their cars quickly.

To me, that is not the right approach of a budget, therefore, I tried to step back from that and give the people of Trinidad and Tobago a budget, and let them know what I propose to do from January 1, 1997 in every aspect. Hopefully, the people will understand that budgets really should not be something where everyone expects something quite different, and they expect it is going to do something for them. Instead, they should see it as a policy decision and everyone should buy into this policy decision and move forward. Everyone would have an opportunity to criticize and condemn it as the case may be, but at least, in a large measure, we will not have a budget which traumatizes the people of Trinidad and Tobago.

Mr. President, because we have had a history where budgets had been used to either raise or change the exchange rate, I have had to take a very conscious decision to keep away from exchange rate matters. I understand that exchange rates are a very emotional matter, but I really would not like the budget to be associated, or any measure that the budget takes—although it may impact and have influence on exchange rates by its very nature—to have budget statements making exchange rates pronouncements, so please bear with me. I would like to think that the Central Bank plays a more proactive role in saying how the exchange rate goes, because they would lend much more credibility. In my view, there is

nothing that a Minister of Finance could say about an exchange rate that adds to it. Anything he says is going to be misinterpreted, misconstrued and I will be condemned for it in any case. It does not matter being condemned, what is more important is that I feel by not saying anything about it during a budget exercise, at least we allow a floating exchange rate because if it were a fixed rate, it would have been even worse. At least when it is floating, it is allowed to be dictated by what we do; whether a buyer or seller, we determine the rate.

The question of savings came up time and time again and I am really sorry that it seems as though this is a budget which is attacking savings. This is not so. What we hope to do is to try to wean the taxpaying people of Trinidad and Tobago from thinking that they must have incentives. In those days the incentives worked because they were operating at 70 cents to the dollar, today at 35 cents and even lower, it is going to have very little meaning. Let us assume that we get down to a 20 cents rate of tax flat, there is really going to be very little inducement for anyone to say if one puts out 80 cents I am willing to put out 20 cents. It would have flipped the other way completely. Instead of it being 70/30 in the old days where one saved 30 cents, and the government paid 70 cents, we are reaching the stage now where it would be reversed and where one would have to put out 70 cents in order to save 30 cents. To my mind, it is losing its effect and there is a case to be made for its removal, because of the fact that it will erode the tax base.

We are reaching the point, therefore, where the people of Trinidad and Tobago have to accept that we are putting out discretionary incomes in their hands. That means they can choose to buy their homes and there is no need for a tax incentive for that anymore. They have the wherewithal in their hands, because after tax, they have much more money than under the old system, therefore, they can choose exactly how they are going to spend their money, save their money or otherwise. That is where we are heading towards the late 1990s. As I have said in the late 1980s, we did end up with two systems of direct and indirect taxes and we expect to have the direct and the indirect in the late 1990s but in a way that will change the whole pattern of people's habits.

Sen. Dr. Mahabir also asked about the tax court. We got caught up in a tizzy with respect to tax courts. We came here as a new administration and had a relatively new Chief Justice and the Attorney General together with the Chief Justice have been trying to rationalize and re-order, as it were, the courts and the tax court got caught up in it. It is not dead; it is an issue that the Attorney General, the Chief Justice and myself are still working toward and we are looking to see

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how we can do it. We are also looking at the experience of other countries in respect of the tax courts and I am still committed to it. I am hoping that very early in the new year we will get a decision as to how and where it would be done.

The question of the motor vehicle licence also came up. What is going to happen in its place is that there would be a special sticker for insurance companies which will be sold to them, and they in turn will sell it to their policy owners and each year there will be a different sticker. That immediately means that any inspector can see who are insured and who are not, based upon the use of those stickers.

In terms of checks, we had already made the decision three or four months ago that one can have checks for goods vehicles and heavy "T" vehicles done, not only at the licensing office where there are long lines, but at state enterprises like PTSC and Caroni (1975) Limited, just to name a few. We did that on a trial basis to move towards where there will be licensed garages early next year. Very soon we will see advertisements inviting persons with large and small garages to register, submit themselves to checks and tests and be licensed so that they themselves can issue certificates of road-worthiness.

6.35 p.m.

The question of over-the-counter drugs also came up. I assure this honourable Senate that we are not talking about a whole host of drugs. They are very basic. I have been in consultation with the Minister of Health who has said that there will be no more than six or seven items. It is a question of convenience. I really hope that the furore which was started by the pharmacists will die when they begin to realize that it will be restricted to a few items. Again, that legislation has to come before this Senate and Senators will have an opportunity to influence it one way or the other.

I would like to make one final statement in my wrapping up. I hope I have been able to deal with all the issues that have been raised. Sen. Mohammed asked me what is my relationship with Mr. Brian Pocock.

Mr. President: The hon. Senator's speaking time has expired.

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

Question put and agreed to.

Hon. B. Kuei Tung: Mr. President, let me just mention one thing quickly. I met Mr. Pocock through Mr. Branson, who made a courtesy call on me. He indicated very early this year that he had an interest in buying into BWIA and creating a joint venture with them. At that time, he told me that his man of business is Mr. Brian Pocock. Mr. Pocock is not an agent, servant or otherwise of the Government. In fact he has no relationship with the Government other than the fact that he is the chief negotiator on behalf of Virgin Atlantic with respect to BWIA. If Mr. Branson chooses to retain Mr. Pocock, it is his business. The Government certainly has no formal relationship with him. He has a right to negotiate with the board of directors of BWIA with respect to that sale. This newspaper report which says that he has been negotiating with me is totally incorrect. In fact, as I said publicly, I have no *locus standi* for negotiating with BWIA. I merely represent the people of Trinidad and Tobago as Corporation Sole holding 34.5 per cent. I really cannot negotiate with him or anyone else with respect to BWIA.

Mr. President, this has been a very successful year for this administration. [*Desk thumping*] We have done a great deal and we still feel that we could have done a great deal more were it not for the constraints within which we have to operate. We think that 1997 will be the year for us, not just of delivery, but we think that our success in 1997 will really be based upon our ability to carry out this capital programme. We would like, this year, to invite the co-operation and collaboration of everyone in Trinidad and Tobago because we think that the capital programme will redound to the benefit of all Trinidadians and Tobagonians.

In closing, therefore, let me just take the opportunity to wish you, all Senators and their respective families, the staff, the media, the members of the public gallery, a very successful 1997. I think it will be a year in which Trinidadians and Tobagonians can feel justly proud. I thank you very much.

Question put and agreed to.

Bill accordingly read a second time.

Hon. B. Kuei Tung: Mr. President, in accordance with Standing Order No. 80, I beg to move that the Bill to provide for the service of Trinidad and Tobago for the year ending December 31, 1997 be not committed to a committee of the whole Senate.

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Question put and agreed to.

Bill read a third time and passed.

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, I beg to move that the Senate do now adjourn to a date to be fixed.

Mr. President: Hon. Senators, before putting the motion, I thank you for your expression of goodwill to my family and me. I also take this opportunity, now that we are at the end of 1996, to commend and thank Senators for their dedication and devotion to duty amply exhibited by the sometimes late hours, as well as sitting on days that are not scheduled according to Standing Orders.

I also commend Senators for the high level of debate that has characterized these sittings during the last 12 months and to say how pleased I am at the commendable level of dignity and decorum that the Senators have shown during these debates, including the friendly banter between Government and Opposition and the occasional unfriendly cross talk that took place. Most importantly, however, I thank Senators for their assistance and co-operation in making my job in this Chair a quite pleasant one and not very arduous.

May I extend compliments of the season to Senators and their families, to all members of staff, particularly the hardworking Hansard Reporters, the Clerk of the Senate and her assistant, the members of the Ministry of Finance who have been assisting, the police service who gave us security all year round, the media which have been covering these sittings and the members of the public who have been with us listening to these debates. I pray God's blessings that 1997 will bring more peace, joy, happiness, prosperity and, above all, good health to meet the challenges of 1997.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.45 p.m.