

SENATE*Monday, December 29, 1997*

The Senate met at 10.02 a.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**ARRANGEMENT OF BUSINESS**

Mr. President: Hon. Senators, let me first of all wish you compliments of the season and make one or two announcements. I understand that we might be sitting until 10.00 p.m., therefore, we will have three breaks. We will break for lunch at 12.30 for a period of 45 minutes and resume at 1.15 p.m.; break for tea at 4.00 and resume at 5.00 p.m.; break for supper at 7.30 and resume at 8.15 p.m.

LEAVE OF ABSENCE

Mr. President: Hon. Senators, leave of absence has been granted to Sen. Elizabeth Mannette to be absent from the Senate from December 24, 1997 to January 9, 1998.

GREETINGS

Mr. President: Hon. Senators, I have received the following letter from the Tobago House of Assembly:

“Secretariat and Legal Division,
Tobago House of Assembly,
Jerningham Street,
Scarborough,
Tobago.

December 21, 1997.

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

Dear Member,

The Tobago House of Assembly (1996-2000) at its Plenary Sitting (Sixteenth Meeting) held in the Tobago House of Assembly Chamber on Thursday December 18, 1997 by resolve, directed that the Season's

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Greetings for a Blessed Christmas and a happy New Year be extended to the President and other Members of the Senate and their families.

Yours faithfully,

Acting Clerk of the Assembly”

Hon. Senators, I have asked the Clerk of the Senate to do an appropriate letter of acknowledgement, reciprocating the sentiments of the season on your behalf, to Members of the Tobago House of Assembly.

OATH OF ALLEGIANCE

Mr. President: Hon. Senators, I am given to understand that a temporary Senator is to be appointed but we have not received documents or information as yet. May I, therefore, have your leave to revert to this item on the Order Paper at a later stage of the proceedings?

Leave granted.

ORAL ANSWERS TO QUESTIONS

The following questions stood on the Order Paper:

Northern Range

4. A. Could the hon. Minister of Agriculture, Land and Marine Resources inform the Senate of any measures taken or being proposed by Government to arrest the negative effect of inappropriate exploitation of forested slopes of the Northern Range, particularly in the eastern half of the Northern Range and especially in the Arima valley?
- B. Could the hon. Minister also inform the Senate of steps being taken to rehabilitate deforested areas of the western part of the Northern Range?
- C. Could the hon. Minister also state the extent of reforestation efforts each year since 1987 and the cost of these measures? [*Sen. Prof. J. Kenny*]

International Treaties

5. A. Could the hon. Minister of Foreign Affairs inform the Senate of the international treaties, other than bilateral treaties, to which Trinidad and Tobago has acceded since 1976, the dates of accession or ratification and the subject matter of each treaty?

- B. Could the hon. Minister also inform the Senate whether any of these treaties requires passage of special or new domestic legislation or amendment to existing legislation?
- C. Could the hon. Minister also inform the Senate of the status of preparation of any legislation required under international treaty and of the timetable for tabling any such legislation? [*Sen. Prof. J. Kenny*]

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, after consultation with Sen. Prof. Julian Kenny in whose name the questions on the Order Paper stand, it was agreed that answers to questions Nos. 4 and 5 be deferred for a period of two weeks.

Questions, by leave, deferred.

**APPROPRIATION BILL
(BUDGET)**

[Second Day]

Order read for resuming adjourned debate on question [December 23, 1997]:

That the Bill be now read a second time.

Question again proposed.

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. President, before I commence my contribution on this Bill, let me extend seasons greetings to you and your family and all Members of this Senate and may the blessings of the Almighty be with you all throughout 1998.

Mr. President, it is certainly a pleasure once again, to rise in support of the budget as presented by my honourable colleague, the hon. Minister of Finance. Let me, first of all, congratulate the Minister on a very cogent, succinct and lucid presentation. From all reports, it has probably been the most popular and best received budget in recent times. The last opinion poll which I saw indicated that 72 per cent of the population thought that it was an excellent presentation and 28 per cent felt otherwise. The opinion of the people of Trinidad and Tobago tells a story. This is the theme of the budget: "Opportunity for all". A blueprint for human development savings and asset building has, indeed, been embraced by almost all citizens of Trinidad and Tobago.

Mr. President, in determining my approach to this particular debate, I intended to make a departure from my normal method of presentation and to deal, to some

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extent, with some of the contributions made by Members of the Opposition. However, having perused in some detail the contributions made by Members in the other place and, so far in this honourable Senate, no matter has been raised on the subject of energy so it makes my contribution a bit difficult.

Sen. Montano, to his credit, made some very wide-ranging remarks. Some of it dealt with viral encephalitis, the foreign exchange crisis, the Green Paper on media reform, decrease in oil revenue, natural gas pricing, export allowance and the lack of opportunities for local investors. Mr. President, in the course of my contribution I intend to deal with those which are relevant, such as the decrease in oil revenue, natural gas pricing, some comments on export allowance and opportunities for local investors.

Sen. Mannette told me, across the floor, that she is now the shadow Minister of Energy and Energy Industries but the Senator did not elaborate at all on the subject of energy in her contribution. I suppose the Senator thought that discretion was better than valour. The Senator embarked on a 40-minute discourse on problems in the health sector which was, more or less, a rehash of her contribution on the Variation of Appropriation Bill so there is not much for me to deal with.

Mr. President, having said that, I will now deal with some aspects of the energy sector as it directly relates to the budget for 1998. For the avoidance of doubt, the energy sector is not only oil-related; it relates to oil, gas and gas-based industries. It also relates to the quarrying and mining operations. Too often, most of us believe the energy sector is oil-related. It is a known fact that the hydrocarbon sector is the major contributor to the nation's economy. It is also the prime catalyst for growth and development and is, in fact, the engine room of the economy of Trinidad and Tobago. So far, we have adopted a very pro-active approach to the management of the hydrocarbon sector, we have provided the vision, the leadership and the necessary managerial expertise to carry this sector forward into the 21st Century. Mr. President, I am pleased to say that our efforts and initiatives are, in fact, yielding the desired results and we are experiencing an economic resurgence in this country. I am careful not to use the word "boom" for obvious reasons.

Mr. President, the macro-economic performance of the economy—the GDP growth, fall in unemployment level, the level of foreign direct investment, growth in foreign exchange reserves—all of these have been largely underpinned by the performance of the energy sector. Our Government continues to adequately administer the sector to achieve optimal returns from the exploitation of the

country's natural resources for the benefit of all its citizens. As I proceed to give a background of the performance of the sector in 1997 and the projections for 1998, it is important for us in this honourable House to understand that the hydrocarbon sector in this country is changing its face. We are now, what we consider to be, a mature oil province in that most of our exploitable fields are in the process of being exploited. In that regard, the rate of decline as far as oil reserves are concerned due to a natural decline, is about 15 to 20 per cent per annum and, therefore, we have a constant challenge to be able to maintain the level of production by continuously finding new reserves.

10.15 a.m.

Mr. President, prior to 1996, no new oil fields were found in this country for the last 15 years. Since then, we have been fortunate to discover oil in four distinct areas: the East Mayaro field, the Renegade field, the Mahogany field and the Tadoo field. Since the early 1980s, we have been experiencing a continuing decline in oil production, and a concurrent increase in natural gas production, so that the economy is moving from an oil-based economy to a gas-based economy. In fact, in 1996, in terms of barrels of oil equivalent, natural gas surpassed crude oil in terms of being the prime mover of the economy.

We in the Government are faced with certain strategic imperatives; the first of which is declining oil reserves, and the second, we are finding more and more gas. Our policy objectives are aimed at stimulating sustainable growth and development in the energy sector. Our thrust involves the intensification of exploration and production activities, the promotion of upstream oil and gas development, the promotion of downstream oil and gas development, the demonopolization of the retail marketing sector, training, research and development, transfer of technologies and environmental protection. I will touch on most of these as I go along in my presentation.

First, I want to deal with the aspect of crude oil pricing. We are all aware that possibly—and I stand corrected by the Minister of Finance—and arguably, the most important aspect of the budget is the crude oil price. When the Minister says that the budget is based on an oil production of 124,000 barrels per day, at a price of US \$19, there is some clarification I want to make. The US \$19 applies only to the Galeota crude mix, so we must be careful of that, and I want to make sure that the hon. Senators and the national community are aware of this slight nuance.

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Further, Mr. President, the accurate prediction of the oil price depends a lot on three factors; good luck, clairvoyance, and technical expertise. I do not pretend to be a clairvoyant. Thus far, we have been very successful in 1996 and 1997 in the prediction of our oil prices. In 1996, we predicted an oil price of \$17.50 per barrel, and in actual fact, it was closer to \$21. In 1997, we predicted an oil price of \$20, and we expect that by the end of the year we would have averaged about \$20.25. We on this side appreciate that the risk in 1998 is greater, but obviously, as a responsible Government, we have to go with what we think is the most probable oil price.

Mr. President, we in this country are faced with a paradoxical situation where our country's economy is so dependent upon the price of oil and yet, we cannot influence the actual price of oil because of the small size of our production. In today's world, there are four main factors which affect the oil price. The first, as we are all aware, is the continuing uncertainty of the Iraqi supply of crude oil on the world market, because of the on and off relationship with the United Nations Arms Inspection. Secondly, it also depends, to a large extent, on the oversupply of the Organization of Petroleum Exporting Countries (OPEC), which have shown a lack of discipline in sticking to their quotas.

Thirdly, the price of oil is influenced by world economic growth. In 1998, growth is expected in the economies of North America, South America, Europe, and also the Asian subcontinent, including India and China, however, the economic turmoil in Southeast Asia is expected to have a significant influence on the price of oil. Just last night, those of us watching the BBC world report on television were told that the IMF has indicated that world economic growth in 1998 would be slowed down because of the problems in Southeast Asia, and the World Bank has predicted that the turmoil in those countries would have far reaching political and economic implications. Also, the severity of the northern hemispheric winter is a factor, and thus far, the winter has been relatively mild in that part of the world.

So, Mr. President, we are aware that our prediction of US \$19 per barrel in 1998 will be under greater pressure than in previous years, but as everything else, we hope that good luck will smile on us once again.

The thrust of our efforts to increase the acreage under exploration and production continues unabated. The country is well aware of the competitive bid rounds, phases one, two, and three, which have been completed. The programme in this connection has resulted in the signing of agreements during 1996 and 1997 for nine offshore blocks, totalling over half a million hectares, mainly off the

southeast coast of Trinidad. Of these, the following five production sharing contracts were signed in 1997:

- block 5(b) Amoco and Repsol
- block 4(a) Conoco
- block 4(b) Conoco

The North Coast Marine Area (1) has been converted from a typical exploration and production licence into a production sharing contract—which I will deal with a little later on—and also:

- block 5(a) a production sharing contract has been sign with British Gas and Texaco.

Currently, negotiations are in progress for arriving at final agreements on the award of four offshore deepwater blocks with the following companies:

- block 25(a) Shell Agip
- block 25(b) Exxon
- block 26 Exxon
- block 27 a consortium of Arco, Braspetro and Union Texas

Agreements for these blocks total another half million hectares, and should be finalized, and production sharing contracts signed during the first quarter of 1998. I am pleased to report to this honourable Senate that signature bonuses in excess of \$500 million will accrue to the Government of Trinidad and Tobago as we sign these contracts.

The signing of these four deep water blocks would bring some one million hectares under exploration in the offshore areas by 1998. And by the end of January, we would have signed 13 production sharing contracts within our 25 months of being in office, which is something of a record internationally today. In this regard, I want to congratulate the dedicated public officers in the Ministry of Energy and Energy Industries for seeking the country's interest at all times.

During 1997, a significant amount of activity with respect to geological and geophysical work has taken place. We have had seismic programmes in respect of block 5(b), the North Coast Marine Area (1), block modified U(a), block 2(a), block S-11(b) and block 2(c). Mr. President, the results of these seismic programmes are now being interpreted and finalized, and 1998 promises to be a

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very vigorous year in terms of exploration drilling in Trinidad and Tobago, with all these blocks being brought into the next phase of commercialization.

During 1997, crude oil and condensate production averaged 124,117 barrels per day, which was below the targeted production levels of 129,000. This was largely due to the disappointing results of Trinmar. I am pleased to advise that all other companies—most of all Amoco, which I said was the Galeota crude mix—maintained production levels. The Government remains dissatisfied with the performance of Trinmar, and intends to take appropriate action in the new year.

With respect to Amoco, oil from new sources will mainly offset the 22 per cent annual base oil production declines experienced in the field. I repeat that point: 22 per cent natural decline. Crude oil and condensate production from the Mahogany field will commence in July 1998 at 6,400 barrels per day from two oil wells, and one gas condensate well. Also, drilling of at least two horizontal wells in the Immortelle field will contribute 2,000 barrels per day to the annualized average production.

Mr. President, Sen. Montano made reference to the decrease in Government revenue arising out of events in the 1997 and 1998 budgets. I think my senatorial colleague, Sen. Andrew Gabriel, made reference to the fact that such drop in revenue was largely due to the taxation system which currently obtains in Trinidad and Tobago. I must say that he was entirely correct. In this regard, I just want to update this Senate on some aspects of how tax is computed on petroleum operations. Petroleum operations in this country are taxed on two bases; supplemental petroleum tax and petroleum profit tax. In both cases, there are certain allowances which are written off against the revenues accruing to the Government.

There is a geological and geophysical allowance, which states that an allowance equal to the amount of 50 per cent of geological and geophysical costs incurred in petroleum operations are allowed to be written off. There is also an exploration allowance, which is an allowance equal to 100 per cent of the direct cost of drilling exploration wells, and it goes on to define an exploration well as a well so classified by the member of Cabinet responsible for petroleum. There is also an incremental investment allowance which is equal to 40 per cent of direct intangible drilling costs, exclusive of dryhole and qualifying sidetrack expenditures and 40 per cent of tangible costs incurred in development activity.

10.30 a.m.

So, having due regard to the successes of AMOCO during the last two years where they found hydrocarbons in 10 out of 11 wells, they need to bring these wells into production in the shortest possible time; first of all, to stem the decline in oil production and to bring on gas for the Atlantic LNG project. It stands to reason that significant allowances have to be written off, for example, the geological and geophysical, the exploration and the incremental investment allowances. So I must state that my young friend—as Sen. Montano referred to him—was very correct in his assessment that the loss of this revenue was due to the present taxation system. In fact, I think he must be correct, I expect him to be correct because he has been trained by myself. *[Laughter]*

Mr. President, I now move on to the natural gas performance. The natural gas production is expected to average 885 million standard cubic feet per day in 1997. The gas sales for 1997 are expected to average 718 million standard cubic feet per day compared to 682 million standard cubic feet per day in 1996. In 1998, gas production is expected to rise to 1,080 million standard cubic feet per day whilst gas sales are forecasted to average 875 million standard cubic feet per day in 1998. Trinidad and Tobago has the highest growth rate of natural gas utilization anywhere in the world and this is directly related to the level of investments which have been taking place in the country, particularly so over the last two years.

I will not go through all the details again, for it is well known to hon. Members of this Senate and also to the national community the projects which are in the construction and/or commissioning stages. We all know about the Atlantic LNG project which is expected to come on stream by the first quarter of 1999. Also, the Potash Company of Saskatchewan (PCS) and Farmland ammonia plants are expected to come on stream at the end of the first quarter of 1998. The Clico/Ferrostaal/Methanol plant is also expected to come on stream at the end of the first quarter of 1998. We also have the Cliff DRI and Ispat DRI plants which are expected to come on stream at the end of 1998. Of course, we have the Phoenix Park Gas Processors Limited (PPGPL) expansion and the Titan Methanol project under construction. At present, more than 7,000 construction jobs have been created and that contributes largely to the declining rate of unemployment in the country.

Mr. President, I will now turn to some of the new investments which are currently being contemplated in the country. First of all, we have the aluminum smelter. The national community is aware that Government is in the process of

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negotiations for the siting of an aluminum smelter in Trinidad and Tobago with two different consortiums. The first one is led by Norsk Hydro and the second one is led by ICF Southwire. Only last week we signed a Memorandum of Understanding with ICF Southwire consortium to allow further project development and we expect to do likewise with the Norsk Hydro consortium very early in the new year, if not before. Investment decisions on both projects are expected to be made towards the middle of 1998.

Negotiations have commenced with respect to a second train of Atlantic LNG. Again, the Government is in the process of discussing with the various partners how this particular project will or shall proceed, and again we expect an investment decision to be taken towards the fourth quarter of 1998.

We have also signed a Memorandum of Understanding with another party for a gas to liquids conversion plant. Mr. President, one of the problems with gas is that it is not easily transportable as compared to crude oil. Recently, attempts have been made to make the transportability more direct and, of course, we have had an explosion of construction of LNG plants.

In recent times we have had the attempted commercialization of a new technology which converts gas to high quality liquid hydrocarbons. This process has been known to exist for the last 75 years, but we have not been able to commercialize it. Of course, as we proceed and as technology develops, renewed interest has been shown in gas to liquids conversion which allows the ready commercialization of our abundant natural gas resources into high quality middle distillates for export purposes. The Government has signed, through the National Gas Company (NGC), a Memorandum of Understanding which allows us to commercialize this technology. We also signed a Memorandum of Understanding to use liquefied natural gas as a fuel in motor vehicles and a feasibility study on this particular project is now in place.

We also have interests for two direct reduced iron plants, one from a consortium led by Essar from India and one from a Brazilian company CVRD, which are interested in investing in Trinidad a pelletizing plant, another DRI plant, a thin slab caster, a rolling mill and a galvanizing facility. With respect to ammonia, we have received a Memorandum of Understanding from Hydro Agri (HAT), with respect to another ammonia plant in Trinidad and we are also in the process of finalizing negotiations with the Caribbean Nitrogen Company (CNC), for another ammonia plant in Trinidad and Tobago.

With respect to methanol, we are in the process of initiating discussions for a second plant by the owners of Titan Methanol Company and also the Methanex Corporation has intentions of making a methanol hub in Trinidad and Tobago, commencing in the year 2001.

Mr. President, with respect to other projects, we are in fact, doing a significant amount of feasibility work on an ethylene complex in the country. Our pre-feasibility study has shown that we are now approaching the critical mass stage where we would be able to sustain a full-fledged, world scale ethylene complex in Trinidad and Tobago and work continues at an unabated pace in those areas. With respect to other downstream industries we are also looking at acetic acid. We have reopened investigations on the Methyl tetra butyl ethylene (MTBE) plant. After the failure of the La Brea Brighton Industrial Estate we commissioned a study to look at a site for a new industrial estate in Trinidad and Tobago. The preliminary report on that study will be presented to the Minister of Energy and Energy Industries shortly.

With respect to the gas pricing policy, on the question raised by Sen. Montano, we in this Government are acutely aware of the need to develop and maintain a transparent gas pricing policy. We have been slowly dismantling the rule-of-thumb, *ad hoc* methods which characterized earlier administrations' approach to gas pricing policies. We have instituted a complete study which has now been completed. The NGC has commissioned Arthur D. Little (ADL), one of the world's renowned consultants in this type of work to do such a study for us. A report is now available for presentation to the energy subcommittee of Cabinet.

Mr. President, I will now turn to the state enterprises. We in this Government feel that the state enterprise sector needs to become more and more efficient. We feel that these entities must be depoliticized and made to function as commercial entities and enterprises. As such, we are moving along in that particular direction.

First of all, I want to deal with the National Petroleum Marketing Company (NPMC). Hon. Senators will recall that in his 1997 budget presentation, the hon. Minister of Finance announced that the Government will be demonopolizing the retail marketing sector over a five-year period. This was based on the recommendations of the Cabinet-appointed committee to review the operations of the sector and advise the Government on the best means for providing a more efficient retail service station network. This committee noted that the sector comprised a dilapidated and sub-optimally located network of 207 service stations which provided an unsatisfactory level of service to motorists. In addition, there

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were possibly, in the network, a number of leaking underground tanks which could have a significant negative impact on the subterranean environment including, possibly, water supplying aquifers.

We in the ministry could not sit idly by and allow such a situation, which bordered on a complete disregard for our environment, to continue as a result of these service station operations. Mr. President, despite the pressing need for a fast track approach, it became apparent to the board of directors at NP that not enough was happening given the short time-frame to effect the service station upgrade. It appeared that the existing management became bogged down by the requirements of maintaining an aging infrastructure, changing the company culture from a monopoly to a market-oriented and customer-focussed one and an apparent paralysis induced by years of operating in a non-competitive environment.

It became clear that parallel processes were urgently needed to drive the cultural change and the upgrading processes necessary to prepare the organization for the 21st Century. Mr. President, the board did three things.

Firstly, it reorganized the management structure to create three strategic business units; one dealing with retail marketing, another with industrial marketing, while the third dealt with the supply and distribution of productions. Secondly, the National Petroleum Marketing Company entered into two technical agreements with Conoco and the Indian Oil Corporation, to ensure that it had ready access to technological support and benchmarks consistent with the requirements of an efficient petroleum marketing industry. These strategic alliances cover all the areas of NP's future operations, including the storage and transportation of fuels, the upgrade of the network, development of convenience stores and the de-bottlenecking of the lube oil blending facility. Thirdly, the board also took a decision with respect to the appointment of a consultant, Mr. Kenneth Soodhoo.

10.45 a.m.

Mr. President, it is quite strange that such a relatively docile-looking person seemed to have created so much controversy in this country. I really think it has been—I would not say a storm in a teacup—everybody has spoken on this particular issue. We have had journalists of various persuasions speaking about it and attempts have been made to tarnish the person's character in the press of Trinidad and Tobago. The Minister of Energy and Energy Industries has kept silent because I rarely get involved in dog fights with anybody. My attitude toward

the press is one of neutrality and ambivalence. The press has its job to do and certainly, I have mine.

Mr. Soodhoo is a Trinidadian whose name surfaced during a search, to be appointed on various boards. His resumé came, by chance, to the Minister of Energy and Energy Industries who never knew him before. Out of the hundreds of resúmes which come across my desk, Mr. Soodhoo's is the best I have seen since I have been minister. He has been a chartered financial analyst who holds a Bachelor of Applied Science from the University of Toronto with an area of specialization in chemical engineering. He also holds a Master of Applied Science from the University of Toronto with double majors in chemical and petroleum engineering. He also possesses an MBA from York University's Graduate Business School with majors in finance and international business. [*Laughter*] I think Sen. Mohammed can continue to laugh.

Mr. Soodhoo has worked as managing director of First Citizens Merchant Bank and assistant vice president of CitiBank (Trinidad and Tobago) Limited. Much has been made of his tenure at First Citizens Bank where he organized, structured and distributed over TT \$500 million in transactions generating \$30 million in earnings.

The Board of NP, prior to appointing him to head the Project Implementation Team, sought the advice of the First Citizens Bank on the directive of the Minister of Energy and Energy Industries on the appropriateness of his appointment. The response from the bank indicated that in the opinion of the board there were no reasons which would have invalidated the appointment. Talk in Trinidad is very cheap. It is very easy to scandalize people's character, but thus far I have seen no evidence which would deny Mr. Soodhoo the appointment which he currently holds.

While at CitiBank (Trinidad and Tobago) Limited his portfolio included the major energy sector clients such as the National Gas Company, Petrotrin, NP—the same NP—Trinidad and Tobago Methanol Company, Trinidad and Tobago Urea Company, Pheonix Park Gas Processors Limited and Amoco. Mr. Soodhoo was also a member of several international project finance teams for some of the largest energy-based development projects in the country including the US \$1 billion LNG project.

It is clear that the Board of Directors of NP was correct in its assessment based on all the factors available to it. What was urgently needed was a highly skilled professional with experience in the private sector, financing of large scale energy

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related projects and engineering and general management. A thorough understanding of the petroleum retail marketing sector and, in particular, NP's operations, would have also been a distinct and tremendous asset.

Mr. Soodhoo served with distinction on the board of National Petroleum. Subsequently, when he became available for this assignment he submitted his resignation and was appointed as a consultant to head the Project Implementation Unit of this most important exercise.

I will also speak about the cost of hiring Mr. Soodhoo. NP has two strategic alliances; one with Indian Oil Corporation and one with Conoco. The cost of consultants to do a similar job for NP is quite astronomical. I have worked with many consultants in my life, I have supervised their work. If there is one thing I know about, is hiring and firing consultants. The average price submitted by both Indian Oil Corporation and Conoco ranged from US \$75 to US \$200 an hour which is up to four times that offered to Mr. Soodhoo in the lower band, and up to ten times more than what he was offered.

I take the liberty of disclosing his current remuneration package. Where we would have been paying Indian Oil Corporation and Conoco in the range of \$78,000 to \$200,000 per month for a similarly qualified or even less qualified consultant, Mr. Soodhoo's remuneration is now fixed between a line manager and the CEO of NP. His range of responsibility is all encompassing. He is paid a total compensation package on a contract of \$26,600 per month which is very reasonable, based on current standards in this country.

Some of us may have been misguided by those who wish to slow down the demonopolization process in the National Petroleum. The Government and the board of NP would not be side-tracked in this particular issue. I hope those in the press are now aware when they put in the headline "who is Kenneth Soodhoo", they now understand who he is.

No amount of side issues and diversionary tactics and unsubstantiated name slandering will stop this Government and this Minister from exercising their duty toward the taxpayers in this country. [*Desk thumping*] Ours is a Government of inclusion and we propose—

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

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

Question put and agreed to.

Hon. F. Gangar: I wish to thank my hon. colleagues for allowing me an additional 15 minutes. I probably would need about three times as much but I would try to truncate my contribution.

Mr. President, before that minor interruption I was saying that ours is a Government of inclusion and we intend to incorporate the best possible talent regardless of their creed, race or political affiliations to remedy and undo the 25 years of neglect perpetrated on the sector and the consequential and callous disregard for motorists and the environment which followed in the wake of this neglect. We would not be deterred by anybody in the pursuit of this noble aim and objective.

With respect to Petrotrin, this company is embarking on a similar path to the National Petroleum Marketing Company. The company having at long last completed its massive Pointe-a-Pierre refinery upgrade project is now in a better position to return to viability. We have had some rather unfortunate accidents during the past year for which the board of directors has taken some very firm steps to prevent any such re-occurrence in the years to come. This company is faced with a different type of problem from NP. It is faced with a massive debt. We, as the Government, require that the company sustain and finance itself. Of course, every muscle must be strained to ensure that this is, in fact, achieved. The board of directors has embarked on a very aggressive programme both in optimizing the refinery yield and maximizing crude oil production. We expect to see a much better return to greater profitability in 1998.

With respect to National Quarries and the National Gas Company, both of these state enterprises are also in the throes of restructuring, reorganizing, redirecting and re-engineering their respective organizations. There are a few new initiatives of which I would advise this honourable Senate.

We have been phenomenally successful in our natural gas investment programmes in the last two years and we feel it is about time that we take stock of our investment portfolio and how we intend to proceed in the future. That we have been successful cannot be denied or doubted by anyone.

10.55 a.m.

We in the Government have taken certain policy decisions and initiatives. We believe that we must adopt a more stringent position with respect to the involvement of locals in our energy sector. First of all we believe that our local contractors and sub-contractors must play a greater role and we intend to insist as

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we go along that certain skills or activities must be included in the local content of projects as a condition precedent for investment in this country. We believe that such tasks as piping fabrication, structural steel fabrication, painting, sand blasting and electrical insulation must be done by a largely local labour force.

Mr. President, another major initiative which we are going to take in the new year is the question of local equity participation by nationals in the energy sector of Trinidad and Tobago. Sen. Montano made the point, and quite rightly so, about opportunities for investment of locals in this country. Recently Cabinet agreed that the promoters of all new ventures in the energy sector be requested to permit equity participation by a newly incorporated company, the Energy Holdings Company Limited, in such ventures up to a level of 10 per cent; that the Energy Holding Company Limited be allowed to participate up to a level of 10 per cent in shares of energy-based enterprises being divested by the Government. In circumstances where the Energy Holding Company Limited is unable to finance the purchase of shares in state enterprises or other companies being divested by Government, the acquisition be facilitated by the Government retaining up to 10 per cent of such shares which are to be divested to the Energy Holding Company Limited over time at market value. Mr. President, it is the intention that at the appropriate time the shares of this company be traded on the stock exchange of Trinidad and Tobago, and that the Energy Holding Company be converted into a public company.

With respect to the repatriation of earnings, we believe that the energy sector companies are operating outside the normal economy of Trinidad and Tobago and we intend to encourage these companies to keep some of their earnings in excess of their domestic requirements in Trinidad and Tobago dollar accounts. Of course, we have also institutionalized their contribution towards training. Investors would be required to contribute towards training programmes one per cent of the capital investment of the plant initially upon an investment decision and 0.1 per cent of capital investment of the plant annually after plant completion. Mr. President, these are required to be conditions precedent for investing in Trinidad and Tobago.

We also intend to take a very serious look at the fiscal incentives which are now afforded companies investing in Trinidad and Tobago. The technical advisory group to the energy sub-committee of Cabinet did a preliminary study and made certain recommendations to Cabinet. These included that a team be appointed with comprehensive terms of reference to review the entire package of fiscal incentives currently granted to the industry. In the interim the team recommended that

consideration must be given to administratively exercising one or more of the options, the granting of tax holidays for primary producers of ammonia and methanol be discontinued, the granting of tax holidays for plant expansions in the energy-based industry be discontinued, since the benefit from the economies of scale and support facilities may have already enjoyed fiscal concessions. The use of the accelerated depreciation and investment allowance incentives be encouraged since they are less costly to Government in terms of revenue forgone than tax holidays. That fiscal concessions be specifically directed to industries capable of generating downstream activities. The formula for calculating the export allowance be reviewed to ensure a more precise determination of export profits, and should it be found necessary to grant tax holidays, an economic evaluation of the relevant operations be conducted. In addition, only partial relief from corporation tax be permitted as this would enable Government to share in the extensive benefits available during the tax holiday period.

Subsequent to the recommendations of the technical advisory group and the acceptance of Cabinet, a committee has been appointed headed by a former Minister of Trade and Industry, Dr. Bhoë Tewarie, who is currently Chief Executive Officer of the Institute of Business made up of Mr. Leon Lue Yat, Manager Investment Facilitation Department of TIDCO, Mr. Oliver Flax, the South Trinidad Chamber of Commerce, Mr. John Andrews, Technical Advisory Group, Mr. Steve Ferguson, National Gas Company, Mr. Randolph Kong, retired Permanent Secretary, Ms. Allison Lewis, acting Director Co-ordinating and Monitoring Unit, Ministry of Finance, Mr. Bernard Weston, Foreign Service Officer V, Mr. Vernon De Silva, Senior Energy Analyst, a representative of the Central Bank of Trinidad and Tobago, a representative of Trinidad and Tobago Chamber of Industry and Commerce, a representative of the Ministry of Trade and Industry, a representative of the Board of Inland Revenue and a representative of the office of the Attorney General.

Mr. President, the export allowance—I am sure my hon. colleague, the Minister of Finance, would deal with it a little more and since my time is about to lapse, before closing I would just like to alert hon. Members of this Senate to the fact that a complete review, both in terms of technical and financial matters, has been done with respect to the pricing of petroleum products in Trinidad and Tobago. This report has been done for the first time in a very comprehensive manner and we will determine how we must proceed on this particular report in due course. This also includes a comprehensive review of the promotion of compressed natural gas as an alternative fuel in Trinidad and Tobago.

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As I said, a detailed package of fiscal incentives has been developed to promote compressed natural gas as a vehicular fuel of choice in this country. However, we feel that the time is not yet right because the National Petroleum Marketing Company has to put itself in order to make this particular vehicular fuel more accessible to the general motoring public of Trinidad and Tobago. Again, Mr. President, those of you who read the newspaper would see that we are doing a major change out of compressors which has been defined as a major problem in the CNG network in Trinidad. The bid for new compressors will close with different specifications on January 16 and expect that by December 1998 to be in a better position to promote the use of compressed natural gas in Trinidad and Tobago.

Mr. President, in the limited time available to me I have sought to put the performance of the energy sector in 1997 in its proper context. I have also sought to put our plans for 1998 in the proper context. That we have been successful in the energy sector is not open to question, even our greatest detractors would accept that. We have been successful in 1996, we have been more successful in 1997. I know we will be more successful in 1999 and the year 2000. The ground work has been laid, what we had set out to achieve in five years we have achieved in two years in the energy sector of Trinidad and Tobago. We in this House or on this side believe that the key to a strong economy is a strong energy sector and the key to a successful Government is a strong economy. Therefore the performance of the Government is intrinsically linked to the performance of the energy sector.

With those few words, Mr. President, I thank you for allowing me to make this contribution. [*Desk thumping*]

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I would like to refer to items two and three of the Order Paper with your permission. This is a communication from His Excellency the President:

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Temporary Senator

By His Excellency ARTHUR N. R. ROBINSON,
President and Commander in Chief of
the Republic of Trinidad and Tobago.

signed/Arthur N. R. Robinson,
President.

To: Mr. Muhammad Shabazz

WHEREAS Senator Elizabeth Mannette is incapable of performing her functions as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, Arthur N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Leader of the Opposition, 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, MUHUMMAD SHABAZZ, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Elizabeth Mannette.

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 29th day of December, 1997"

OATH OF ALLEGIANCE

Sen. Muhammad Shabazz took and subscribed the Oath of Allegiance as required by law.

11.10 a.m.

**APPROPRIATION BILL
(BUDGET)**

Sen. Dr. Eric St. Cyr: Mr. President, in this season of goodwill, I want to begin by congratulating the hon. Minister of Finance for a budget and a budget statement in which there are many things pleasing and some things worthy of critical comment. I plan as my main thrust to assist in making sense of the mass of detail that has been presented to us and I was just wondering: How does one link up foreign exchange, Caroni (1975) Limited, unemployment, crime, the violence to our womenfolk, a proposed inland revenue service and so forth? There is a clear theoretical link and if we take the history of this country, I think we could link all these things together in a very sensible way.

Before I attempt to do that, I want to join with the others who have expressed thanks to the hon. Minister for various things done in the budget. I could begin, first of all, with the weaker members of the society—the increase in old-age pension is worthy of commendation. I also compliment the hon. Minister for the change in the land and building taxes and the availability of the tax break for

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homeowners who had not paid land and building taxes for the particular year. Let me say that I understand the intent of the hon. Minister in 1994 that it was not a penal measure; it was mainly a measure to enforce compliance. But I think it is wise that the penalty should always fit the crime and I think the hon. Minister has done very wisely in the proposal he has made.

The difficulty I have, Sir, is how do we deal with the timing? In other words, there would have been people who would have already suffered the penalty and there would be people who might still benefit. I do not know how you would deal with the matter of retroactivity. But there would be many middle-income people out there for whom the penalty was rather draconian.

Let me say, Sir, that the budget statement itself left me somewhat disappointed. The Ministry of Finance has a very efficient staff; they work extremely hard. I know the volume of work which would have gone into preparing this budget and I think rather more should have been put in the statement itself. After all, this is the high point of national debate and I think we look to the hon. Minister to lead the debate by making a fuller, more comprehensive statement. I know that after working for months, day and night, it is rather taxing to have him give a complete review, but it is the time when we take stock. It is more a national stock-taking exercise; it is also the time when we see the international context in which the whole economic system of Trinidad and Tobago fits and I would have preferred a more comprehensive review of the economic performance.

I know we are told he has gone in the direction of being more consumer-friendly but, I think therein lies my difficulty. Because in addition to having a range of facts, what a nation really needs is an understanding of itself, because it is in that context that we are able to assess the direction in which we are seeking to go; the policy measures we are implementing and the likely outcome in the future. It is as important to learn how not to do something as it is to learn how to do it, so that as a very simple example, it would have helped if we got some idea of how we arrived at US \$19 per barrel for oil, so that if we hit it on target, then the method could be applied subsequently and the nation could grow in confidence about its budgeting exercise. Incidentally, I do not see how that price could be so critical given the fact that we only derive 15 per cent of our revenues from oil, so it is really not as important as it used to be.

Let me also say, Sir, that I am very heartened by the \$25 million which has been put to assist single mothers and I see in that measure a touch of the human heart in your Government. I would want to think that we should try not to do

anything that gives the impression that this is the direction in which the society should be going and, in fact, if I may make a comment of a gender specific nature—I often wonder whether as a nation we have the correct handle on this problem of single parenting, the family structure, and a related matter, the very unfortunate increase of violence against our womenfolk.

You see, Sir, if the plains are being flooded, I could seek to open the channel to let the water flow more rapidly, or I could go into the hills and repair the catchment area. Certainly, if the womenfolk are being beaten up by men, I would think that I would want to address the male problem in this country, so that I do not go to deal with the consequence, I go at the cause and, happy as I am that single mothers have been targeted, I see nothing there addressing the man problem. We really have to address the problem of manhood and of fatherhood in this nation if we are going to deal with that fundamental problem.

But those, Sir, are by way of preliminaries. I was very interested in the comparison made between the relative level of income in Trinidad and Tobago in 1962 compared with our neighbouring islands. It seems that we did relatively badly and the neighbouring islands did rather better and the conclusion that the hon. Minister reached was that it had to do with “mismanagement”, I think the phrase was in one place, and I suppose proper management elsewhere. I think that these are the issues on which we need to get an understanding. We are told that we must seek wisdom but we are told also in our seeking of wisdom that we must get understanding and it is to an understanding of these problems that I want to turn.

Let me begin by saying that the new paradigm—the liberalization/globalization paradigm—is not new to Trinidad and Tobago; neither is it new to the Caribbean. The Caribbean has always been central to and fully integrated in the western economic system and what we saw in the post-independence period was an aberration where we attempted to break-in to that passive incorporation of the Caribbean into the world economic system, because one of the consequences of the way we were incorporated into the economic system was that the wealth of the Caribbean—both the human productive wealth and the natural wealth—was being siphoned out of the region. So that the period following independence, when we sought to address the problem of the way we were incorporated into the economic system, represented a most important watershed.

I say this because we must understand what the first PNM government was seeking to do between 1956 and up to about 1968. We were getting control of the

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society and the economy so that we could give it direction. I must say that in doing that, we got some wildfire into the whole process because many persons jumped on that bandwagon and sought to implement a system of autarchy. So that instead of going for secondary industry, we went for import substitution and what we are seeing now is that with the gas-based industries coming to the fore, we are really getting into resource-based industrialization as distinct from import-substitution industrialization which, as the Latin American experience has shown, is not really viable.

11.25 a.m.

The history of Trinidad more so than Tobago, is that up to the end of the 18th Century this was a very sparsely populated and very backward country. I think, until the Cedula of population in 1783, it was a very impoverished Spanish colony. When the British took over at the end of the 18th Century and when the French came in large numbers, mainly from Haiti and the French islands, they brought with them slaves and a sugar technology, a sugar industry and a number of things changed. There was a change of administration from Spanish to British. There was also an increase in population, and Trinidad became not a colony of settlement which the Spanish colony was, but a colony of exploitation. There was emphasis on production for export markets and there was, from that time, a sugar industry.

After the free trade movement came in 1846 sugar collapsed to a point and we went into cocoa and coffee as export staples; and then with the change in technology and the coming of the vacuum pan, the railway and central factories in the late 19th Century we opened up the Naparima plains and we got into the expansion of the sugar industry. In the early 20th Century we discovered oil, and after the war when the Commonwealth Sugar Agreement came into being we opened up the Northern Caroni Plains and sugar was expanded again. Many of us do not remember this, but as recently as 20 years ago, Trinidad and Tobago was producing 250,000 tonnes of sugar in this country. Now it is thinking that when it goes from 100 to 118 tonnes it is doing well.

I am putting this background to say two things. Firstly, there is a world system in which we fit and secondly, there has been a sequence of staple products which we produce for export through which we earn our income and what I am seeing here today, is the big switch that is taking place—the switch from oil to gas. As the hon. Minister of Energy and Energy Industries so well described, one of the problems with gas is one has to capture it and one way to capture it is to incorporate it in a DRI, steel rods, ammonia and methanol so that one could deal with that very volatile substance.

I am saying this to get to an understanding of how the economic system works. The favourable economic conditions we now enjoy—and I do not want it to come over as if it is only the level of management that is causing it. The English bard William Shakespeare tells us, “there is a tide in the affairs of men which taken at the flood leads on to fortune”. So men must seize the opportunity and I think this Government is seizing the opportunity. I want to suggest that there is a tide on which we are riding at the present time so we want to be cautious and not come over as though it is all of our doing. I am going to make this very important point.

When the price of oil fell precipitously in 1986 from US \$24 to US \$10 in the space of a very short time, if we were wise as a nation, what we would have done then was immediately to recall the budget and say to the nation our fortunes have been altered fundamentally by circumstances beyond our control so this is what we must do now. That was not done. I suggest that one of the reasons it was not done is that there is a flip side of that problem namely, if we did not create the hard times then it also follows that we did not make the boom time. So to have conceded that there is a wider system in which you operate and so you do not take the blame when things do not go very well, is also to concede that the same wider system gives circumstances where you do not claim the credit yourself. I want us to be modest and to understand where we have the ability to effect things and where, in fact, we are on a tide and we are just riding. If we do not get that perspective right, then we would get the nation into very narrow and uninformed perspectives so that one will start thinking of one man as “a dunce,” one may start thinking of another man as “wicked” and of another man as the “maximum leader”, he can do all things, and yet another man as a “visionary”. I do not know if I have covered the spectrum but I trust all have understood what I am saying. There is a tide in the affairs of men, which taken at the flood leads on to fortune.

I encourage the present administration to understand what is happening and within that context to manage wisely and not to claim credit that does not properly belong to them.

One of the fall outs from what I have just discussed here is the problem of Caroni (1975) Limited, and let me attempt to put that in context. After the war the many companies still in the sugar industry, 20 or so, became gradually amalgamated into one big company in about 1969 or 1970. The last one to have been bought was Forres Park and what in the national wisdom we did in 1975 was to repatriate the land resources. When Caroni (1975) Limited was bought and nationalized, the main thing we were doing was getting under national control the 70,000-odd acres of land owned by that company and that was wise.

The point about it is that Caroni (1975) Limited was one part of a large Tate and Lyle world complex, so its research was done in a certain area, its marketing was handled in a certain area and so forth. So to have taken that field unit and attempted to run it was really to be asking for trouble.

11.35 a.m.

I heard a news report attributed to the hon. Minister of Planning and Development, which I share, that the management does not have the capacity to manage the company as it stands now. I know that there have been several references to various reports, the most distinguished by Sen. Prof. Spence. In 1984, I chaired a committee and there is a St. Cyr Report as well. If we do not deal with the financial crisis at Caroni (1975) Limited, there would be a constant drain on the exchequer.

Let me divert a little. A few years ago, I was the coordinator of the regional programme of monetary studies. One researcher was plugging to have a project to study health. I asked: What does health have to do with money? As we searched our hearts, we discovered that if the nation's health is poor and the lifestyles of people cause them to run into health problems which make heavy demands on the exchequer, that would put pressure on expenditure and could lead to deficit spending, which could impact on the monetary variables. An economic system is an integrated whole.

The point is that if we do not solve the problem of the resources in Caroni (1975) Limited, and organize them in a way which would add value, there would be a constant drain on the exchequer. Let us remind ourselves that therein is located our best agricultural land, many of the best and hardest working professionals, staff, labouring men and women and much of the roadway, equipment and capital.

I read an article by Dr. J. O'Neil Lewis in the *Trinidad Guardian* dated Sunday, December 28, 1997, where he reported that in 1981, Dr. Williams had pointed in a certain direction. In my view, that is the direction in which we have to go. I know it would be nice to keep the company intact and strengthen the management, but another way to go is to organize the physical measures to match the level of management competence.

If we were in agricultural circles I would remind us that there are four ways in which agricultural systems are organized. There is the communal ownership of land which is very inefficient; the tiny fragmented farms about one-half acre which

are also very inefficient; the two in between the plantation which is efficient in a certain context and serving the purpose of those who have the investments there. The other is the family farm which seems to force people to deal with the physical problem of labour because the family is putting in that sweat. You mechanize to lift the burden off the family. The family's economic welfare depends on the crops which are chosen and how they are marketed.

I recommend that we think carefully of going in the direction of establishing viable family farms out of what is there. Some people have said that would put land in certain hands, and others have said it would break up certain bases, political and otherwise. We have to address this problem. I am sure that if as a nation we recognize it for the problem it is, we can put our minds together and find a solution.

I was looking at the recurrent estimates. In the years 1996, 1997 and 1998 almost \$500 million of public revenues was and would be given in subsidy to Caroni (1975) Limited. If we could say that the total cost of re-organizing, including seriously taking into account the welfare of the people there—that is where we have to start—then we could take a 10-year period and say if we are going to use a subsidy of \$1 billion, then address it, not to keep what is there which is not working in place, but to apply it in a way which would give us the change that would take us out of that problem.

How did I get there? I got there by showing that the staple changes from time to time. When we leave one staple behind, there are usually problems to clean up. Similarly, when we take new staples on board, usually, tremendous benefits come with them. I would sound a warning, that the prosperity I see in the energy sector that we are enjoying is based on the investment inflows. In economic systems such as ours, whenever we are investing up to put a new staple in place, there is much investment inflow. If we are not careful, we could behave as though those are income inflows, so that we get an increase in employment.

A few weeks ago, the Prime Minister said that all the additional jobs are in construction. When the construction ends, unless construction continues unemployment returns. From what I heard in the pipeline from the hon. Minister of Energy and Energy Industries, there seems to be a lot of construction down the road. We have to take into serious consideration whether or not we would have a sufficient volume of gas to deal with all these projects. The gas staple is unique in that it generates few permanent jobs, far fewer than oil, sugar, coffee and cocoa.

11.45 a.m.

In my view, as we go in the direction of getting this natural resource centre stage, we need to develop seriously other avenues for employment generation. I am speaking in the presence of people who know this problem far better than I do: they have all the reports. I know that the hon. Minister of Planning and Development made this very point in a speech a few weeks ago—that we have to address the skill level in the society and point in the direction of services.

This is where the connection between Trinidad and Tobago, Barbados, Antigua and Montserrat came in. What I think happened during the last 20 years is that while we in Trinidad and Tobago kept our eyes on the goods producing sector, moving into manufacturing, the Caribbean countries up the islands had caught on to that booming area of services. They got into tourism—many without gambling—and financial services. We were headed into mature commodities, and when one gets into the production of mature commodities, the rents one earns are relatively small and the income one captures would depend on the technology and the investment. It does not matter so much the amount of labour, the bulk of the income accrues to the investment and to the technology.

Up the islands, they got into services, but let us not fool ourselves, services, too, do mature and I think our neighbours have to be constantly ahead of the game.

I want to say something briefly about the hon. Minister's financial proposal for re-organizing pensions. An economic system has a real side and a financial side and the two must go together. The financial side is based on surpluses generated, captured and deployed wisely. In my view, this has been a very far-sighted and positive move on the Minister's part, but we have to generate more surpluses in these economies. We have to do that, not only to build more secure asset bases for people as they grow older to be able to take better care of themselves, but we have to build that asset base because it complements the production side. Unless, as the hon. Minister of Energy and Energy Industries pushes for the development of the energy sector, we get a bigger share in the investment stake in those industries, then the income generated will go abroad and we would be left relatively unremunerated. The way we have to go is to generate more savings.

The very distinguished economist, Sir Arthur Lewis, writing in the 1950s, recognized the problem of development as that critical change in society when it moves from saving 4 to 5 per cent of income to saving 8 to 10 per cent. The figure now is more likely 25 to 30 per cent, and that is necessary to build the financial base.

This country has developed quite rapidly its financial sector in the last 15 to 20 years. There have been tremendous institutional developments and products. One of the areas of skill development that we need to encourage is expertise in managing financial resources. It must start, however, with the generation of these financial surpluses. We must take a reasonable length of time to build carefully those pension funds and to make sure that we get them mobilized and deployed in the right direction.

Permit me at this stage to say something that seems to run counter to what I said last year. I quite understand the 10 per cent tax on foreign deposits. I argued last year that income comes either from human capital or from non-human capital. We tend to focus our taxation almost entirely on the human capital, and this would balance it. Perhaps, the effect has been less of a positive impact on the Treasury and more of a negative one on how people choose to hold their assets. Indeed, there may be a case for a revision of that taxation measure.

I want to say something very briefly about the taxation system because in a world in which there is rapid telecommunications, offshore financial centres everywhere and people walking around with credit cards, the old methods of taxation will probably have to be reconsidered. Perhaps it is in this light that I consider the hon. Minister's IRS, though as I try to second-guess the direction in which he was going, I could still see openings. I worry about some of them because one possibility is to lessen the attempt to tax capital, since with offshore financial centres and so forth, that will become increasingly difficult.

11.55 a.m.

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

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

Question put and agreed to.

Sen. Dr. E. St. Cyr: Thank you, Mr. President. As I was saying, it would become increasingly difficult to tax wealth since a greater proportion of wealth will now be financial wealth and one is really in no position to trace, track and corner tax.

The excessive taxation of labour income is invariably regressive since if you tax one set of incomes that could be a disincentive, and expenditure might be an area. Therefore, an increasing proportion of the taxation should come on expenditure and we may probably want to consider increasing the grants, almost a negative

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income tax, at the lower end. However the thought that came to me led me into the consideration of the exchange rate because another possibility might be some more deficit financing, except the tax that comes through the consequent exchange rate depreciation and tends to be regressive and otherwise destabilizing.

Mr. President, to sum up, I have attempted to put the budget exercise and the national economic system into context. When one comes to context, one has to take a historical perspective and one also has to wax theoretical. There is nothing wrong with theory, Mr. President. That is how we understand things, and that is how we are able to predict and to take pre-emptive action.

Mr. President, I think that the 1998 Budget Statement is a positive document. I think it has attempted to move beyond where we have been in the last 20 years or so, and to attempt to prepare the country for the 21st Century. There are areas of apparent inconsistencies. As I waded through the documents I was not sure whether the policy on open market operations was in accord with the action taken recently by the Central Bank. However, I am taking it that we are looking two to three years down the road, so that the preference for open market operations compared with the reserve requirement and the apparent inconsistency, might be a little glitch in the short term.

I, also, by comparing the medium term framework for 1997 and 1998, would like to draw the hon. Minister of Works and Transport's attention to a point raised by Sen. Selwyn John last week, that there has been an apparent change in the thinking on how we would maintain the capital stock in our highways. I favour the new position more than the old and would have gone with the old to the point that moneys were being expended and we were not getting value for it in maintenance. However, it would be good for that matter to be discussed. In particular, as Sen. John spoke, I was very heartened by the transfer of technology and skill which would take place within the Ministry of Works and Transport, where older men would socialize, train, and transfer their skills and knowledge to younger men.

The major criticism I would like to leave is that we need to engage the nation in this budget discussion into a wider debate. In this respect I really do not think that December 15 to December 30 is the most appropriate time to have the debate. *[Desk thumping]* We should probably seek to have it before December 15, rather than after December 31 when, I understand, the other festival is already taking centre stage.

I thank you very much, Mr. President.

12.05 p.m.

Sen. Diana Mahabir-Wyatt: Mr. President, I hesitate to say anything following that absolutely brilliant exegesis by Sen. Prof. St. Cyr which has put into context, I think, much of what many of us were wondering—the philosophy and to some extent, the thinking behind this budget which was not expanded on at the time of the budget presentation. Before I actually make a few comments on the budget—Mr. President, I am doing this not from a depth of knowledge of Sen. St. Cyr, but really asking questions—could I just join the speakers before me in extending Season’s Greetings both to the Christian community and the Islamic Community which will be observing Ramadan.

When I listened to the budget speech my first reaction was one of sheer joy that, finally, when it comes to the plight of old-age pensioners, we are seeing some measure of attention being paid to it—I still do not think enough is being paid to it, but I was so pleased that attention has been paid in this budget—but despite the jubilation which I have seen in many quarters over the increase, which I would come to later, I think more could have been done.

My second thought being more fairly practical minded of how people who run households tend to be, was where we are going to get the money to pay for all of this. When I heard the last statement which was, ‘no more taxes’, I thought well, before I react at all let me take a look at some of the figures. In the days since I have—and I am sure all of us have—been going into these rather voluminous documents and listening to the analysis of experts who are far more knowledgeable than I am, when it comes to analyzing a budget, I decided to take a look at the figures from last year, doing some comparative analysis, and the supplementary appropriations which we had towards the end of the year to see how they came out in the past so that I could try to make some projections for this year. I was worried, for example, that in 1997 we imported US \$9.5 million in pharmaceuticals which was down from US \$14 million in 1991, which has resulted, as we all know, in severe drug shortages for the elderly; not just for the elderly, but it hits the elderly more specifically because they cannot afford to pay for pharmaceuticals or import pharmaceuticals.

It seems to me that while I can accept entirely that this budget is based on the issues of economic and social indicators, it has been pointed out to us that there are many humane factors, in fact, it is a very humane budget. While statistics are showing that we have a commercial growth going on in the country, if we are experiencing a social decline at the same time, which the figures seem to justify

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that so many people cannot afford drugs, as the elderly people cannot afford the necessary drugs they need, the public health sector needs an awful lot of attention which it is not getting.

I was very impressed with everything Sen. Prof. St. Cyr said but he did also point out that an economic system has to be an integrated whole and domestic violence, gang rapes of women, the questions of health are not inseparable from the whole financial issue because there have been some very extensive research that shows in countries where domestic violence figures are high, there is something like 3 per cent of national revenue which is being used to fight domestic violence to bandage up those who metaphorically and physically are victims of it, the lost production time at work, and the results on children. We are living in a country in which the whole question of domestic violence, gang rapes—we see in the newspaper headlines every day—these are economic matters. While they are not commercial matters they are economic and financial matters and they affect the development of the country and its future very strongly.

Looking at the indices on which the budget is based, I know that when one is doing a personal budget one normally knows what the income and expenditure would be like and then balance those two, but I gather that with a government preparing a budget, it is the other way around; first, they focus on the expenditure and then see from where their revenue is going to come to finance the necessary expenditure.

Mr. President, with your permission, I just want to take a look at some of the figures which appeared last year, with specific mention to the revised estimates for the end of the year. For example, when we were here last year the figures in the documents were \$2,688.6 million, the revised expenditure which we debated towards the end of the year was \$2,643.7 million which was down from the original estimate and our estimate for this year is \$2,979.8 million which is up considerably, from both of those figures.

Insofar as goods and services were concerned last year, it was \$836.2 million. In fact, when we did the revised estimates at the end of the year it was down, the actual figure was only \$734 million and for next year we have gone up again to \$947 which is even higher than we had budgeted last year. For minor equipment and purchases, last year it was \$50.5 million. The actual was an astonishing—\$34.4 million, which was considerably lower than what was budgeted originally, which, I believe, there was some bad estimation done or bad management somewhere along the line in not purchasing needed minor equipment and, maybe, technological systems for government offices and government services, generally.

For 1998 it is estimated at \$64.6 million which is up from the original estimates last year and almost doubled what was actually spent. When it comes to recurrent transfer to statutory boards it was originally \$1,089.3 million, the actual was a little higher, \$1,007.9 million which is not significant. For next year, we have budgeted only \$959.1 million which, of course, does reflect what is happening in the meantime with the divestment of certain statutory boards and intentions to do some more.

Current Transfers and Subsidies, we had agreed to \$1,089.9 million, the actual was up; when we came back to the revised estimates, it was \$2,418.2 million, which is a considerable rise in terms of current transfers and subsidies. I want to come back to that in light of what Sen. Prof. St. Cyr was saying about Caroni (1975) Limited.

For next year it is down somewhat to \$2,293.4 million. Our debt servicing, the estimate on the revised are very close which is \$4093.5 million down to \$4,083.8 million. As the Minister of Finance has pointed out, in fact, next year it is going to be considerably less—\$3,457.9 million.

12.15 p.m.

Mr. President, there is something very significant in terms of debt servicing which seems to be coming up down the line and I am not sure I understand the philosophy behind it. I know the hon. Minister of Finance has a very clear philosophy in his own mind in terms of how to deal with the economy, which way it should be going and the question of the population being self-reliant. There were some areas in these documents where I felt that there was an inconsistency but the figures I got in the documents were not carrying out the philosophy which the Minister has espoused.

The figures for last year's development programme which, as we know, was \$1,751 million and the actual was only \$1,300.3 million. Next year the estimate is \$1,579.8 million which is halfway between the two. So, in fact, the total estimated expenditure has marginally decreased in 1998, which is something the Minister is to be commended on. This is not intended to conceal the fact that the cost of the public service is actually projected to increase from a \$4,664.6 million figure to \$4,950.8 million. That is increasing by \$286.2 million at 6 per cent over the 1997 revised estimate figure.

This, again, worries me because it is in the context of a future which we have been told in policy documents and in policy framework documents that we want to

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have a public service which is tighter, more efficient and more mechanized. While I do recognize that salaries are going up, there seems to be inconsistency somewhere in these figures—the 6 per cent. If we are going along with a tighter and more efficient public service, 6 per cent does not seem to be consistent. It is too much; it is far beyond what we require merely by the increase in salaries which is being negotiated.

I talked earlier about the current transfers and subsidies and I realize there are certain areas which have gone up, markedly. For example, there is an increased subvention to the University of the West Indies to \$60 million which I do not think anybody can complain about but there is an increased subvention of \$108 million for Caroni. In the context of what Sen. Dr. St. Cyr was saying earlier, the overall allocation this year for Caroni was \$158 million. In the context of the Prime Minister's recent statement that state enterprises and boards had to be self-sufficient and statements made by Minister Sudama about management and what Sen. Dr. St. Cyr said earlier, this figure is troubling. I found the argument put forward by Sen. Dr. St. Cyr to be entirely compelling and convincing and would like to add my support to the position which the Senator came up with this morning and ask, at least, that it be looked at seriously in terms of a way of dealing with the ever present Caroni problem.

I notice an extra \$14 million has been allocated for educational training which, again, I do not think anybody can argue with and an extra \$13 million to regional health authorities besides what they got last year. I am looking at the whole question of regional health authorities and I hope that the attention given to the management of other institutions and Government organizations will be given to the regional health authorities as well because I think that the levels of the public health services which people are getting are not what we would want them to be.

The \$78 million for old-age pensions and disability grants, as I said earlier, I am overjoyed at and the fact that the increases in expenditure were offset by a decrease in debt servicing. Again, I thought that was a very good and wise move. If I could just take a look before I go on to revenue position and changes in that area, there was a shortfall between what we agreed to last year in the budget and what actually happened. I think that this is because some of the estimates were inconsistent with the measures which had been proposed and, therefore, when we got the revised estimates, they had to be redone.

I mentioned this specifically because of my original concern with where we get the revenue to deal with the expenditure which we have before us. In the 1997

budget, the figure for tax revenue was estimated at \$7,623.2 million and the actual was \$7,527.3 million so that one can understand the Minister's concern to revamp the systems, procedures and policies and the management of the inland revenue system. The estimate for this year is a little below what it was for last year and, again, in light of the new IRS, I am just not quite sure why the estimate has gone down in terms of the income for this year and I am hoping that the Minister can help me when he winds up.

For non-tax revenue for last year, we agreed on \$1,639.1 million and, in fact, the non-tax revenue was much higher than that, it was \$1,720.8 million. The non-tax revenue estimated for this year is \$2,351.8 million which is considerably higher. Where is that non-tax revenue going to come from? I will come back in a moment to the whole question of oil and commercial taxes, which is covered under the general tax revenue not under the non-tax revenue and that one, I hope the Minister can give me a little explanation on as well—the source of the increased non-tax revenue that we are expecting. I presume it is from investments; I presume it is from the sort of explosion which Sen. Dr. St. Cyr talked about in the financial expertise with which we deal with what we have, but I would just like to get a little clarification.

I am hoping that it is not going to be just on sale of assets, because if it is sale of assets, it is a position—of course, it is increased revenue, but it is a one-off increased revenue so it is not something that we can see as being sustained in the future.

The capital receipts we agreed to last year were \$864.6 million; the actual capital receipts were only \$776.2 million and the estimate for 1998 which seems to be quite realistic is considerably lower than that, \$672 million. Financing last year was \$2,680.9 million; the actual was a little less than that, \$2,477.5 million and this year we have net foreign borrowings expected to increase by \$730 million to, I think, it is \$3,082.2 million; I have \$3.157 million but I am not sure that is correct. My calculation was something like 31 per cent over the revised figure for 1997. I noticed that when it comes to tax revenue the actual tax collected from individuals fell from what was originally estimated, from \$1,798.7 million to \$1,751 million and the estimate for the year coming is only \$1,512 million which is considerably lower again. So obviously either we do not expect to be employing more people so that more individual tax revenue would be coming in; or we expect that individual incomes nationwide are going to fall, which is disturbing; or there is another explanation of which I am not aware.

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The oil companies revenues were estimated at \$1,258 million; last year, the actual was only \$980 million; again this is a miscalculation but the estimation for the coming year is only \$955.1 million which is considerably lower than what was estimated for last year. Now that is oil revenue; we are talking about taxation from oil companies so it indicates to me that we are actually expecting to gather less in taxes from the oil companies this year than last year and in light of the calculation of the price of oil that was made in the hon. Minister's address, I am a little concerned as to the mechanics of this. Like others, I think I would be a bit more comfortable if I had an idea how that figure was arrived at. The actual figures that we agreed to here last year for taxation from other companies was \$972.2 million; the actual in the revised estimates was considerably more than that which is \$1,162 million which does give an indication that our manufacturing and services sector is moving and the estimate for this year goes up again to \$1,224.5 million. To just finish off these figures, Value Added Tax estimated for last year was \$1,650.7 million; the actual figure was a disappointing \$1,554 million. I understand the Minister wants to put the VAT office with the Inland Revenue Service; and the estimate for next year is \$1,640 million which is close to what we agreed to last year. The rest, of course, is duties when it comes to oil and so forth.

The question that I have when it comes to the foreign borrowings which have gone up by 31 per cent, which I hope the Minister can answer when he winds up, is where is this going to leave us when it comes to debt servicing in 1999 and 2000? I am confused about the inconsistency between the increase in the amount of foreign borrowings and the Minister's philosophy of self-reliance and I hope the Minister can help me. It is actually difficult to determine with any accuracy, that the expansion which is currently taking place in the economy of Trinidad and Tobago has anything to do with the measures which were articulated in the 1997 budget, which is why the contextual exegesis that was given by Sen. Dr. St. Cyr was particularly impressive to me because I have been looking for exactly that kind of analysis.

While Minister Gangar, this morning, in what was a very impressive presentation, told us that on the international scene it was projected that the world economy is going down; Sen. Dr. St. Cyr said that the tide is rising and we are rising with it. For a non-economist like myself, it sometimes gets a bit confusing. We know the story about someone asking for a one-handed economist because an economist always seems to say, "on the one hand it is falling". If I could only have a one-handed economist explain the situation for me, I would be extremely grateful. Perhaps, the Minister could put one hand behind his back and let me know what the answers are, although I do accept that he is not an economist.

The increase in petroleum activities which resulted from increased investment and construction is noted but, again, this fits into what Sen. Dr. St. Cyr said earlier. The whole question which I am not going to repeat on the contribution made about the PSIP which took place in terms of the airport, roads and bridges has also been put into a satisfactory context as far as I am concerned.

There is, however, just one discrepancy which I hope the Minister could address and that is, in the draft estimates of revenue, the estimate for the Development Programme is \$1,080 million which is a reduction of approximately 20 per cent of the revised estimates for last year. In the draft estimates of expenditure, the figure is \$1,580 million with \$500 million being provided from the Infrastructure Development Fund and I did not understand this. I hope the Minister can help me with it.

Mr. President: As indicated, I want to stick to the time given so we will suspend for lunch and resume at one 1.15 p.m. sharp.

12.30 p.m.: *Sitting suspended.*

1.16 p.m.: *Sitting resumed.*

Sen. D. Mahabir-Wyatt: Mr. President, when we broke for lunch I was talking about the whole question of revenue and just to finish up on that, I was glad to note that Minister Gangar in his presentation this morning, painted such a bright future in terms of revenue and the economy as driven by natural gas. I do hope that the Minister's predictions are going to be accurate, and the reason I hope so is because I so very much want to see the kind of social programmes and measures, which the Minister of Finance has outlined, come to pass.

I spoke earlier about the increase in pensions and while I am overjoyed that pensions were increased, as I said before, I just do not think it is enough. I hope that the Minister will also consider raising the ceiling of income below which people cannot apply for Government pensions up to \$5,000 to \$10,000. I think even \$10,000 is insufficient; it should go to \$12,000 if I had my druthers. The Minister himself talked about the level of *per capita* income in a country and, in fact, quoted Montserrat which he said enjoyed a *per capita* income of US \$5,000 before the current problems.

That is something like over TT \$26,000 per annum, a little over \$2,000 a month which is close to the poverty line. Yet we are asking our own people who have to buy food, medicine and provide for electricity—I do not think they bother

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with telephone anymore because most of them cannot afford it—to accept an income ceiling of \$5,000 a year. This is approximately \$416 a month and it is inhumane to expect anybody to be able to live on an income of that. I think, even raising pensions to \$520 only amounts to an annual income of \$6,240 and our elderly people deserve better than this; they deserve the greater percentage of a higher rate of pension than what is being accrued to our revenues. I know that long term, the intention is to do this but I would also like to recommend that anybody who is in the general bracket of a pensioner, should not have to pay income tax at all or, at the very least, not have to pay income tax for pension or annuity income.

I would like to renew my plea for either free drugs or subsidization of pharmaceuticals—at least, not to have to pay import duties and charges on pharmaceuticals—for people over 60. The situation with the elderly in this country is really severe. I want to talk particularly about domestic violence, naturally, but one of the things which I think people often forget is that abuse of the elderly is also domestic violence. Whether that is institutional abuse or abuse in withholding adequate income, abuse is abuse is abuse. I have asked many times in the past that the Government set up some sort of licensing system for the elderly and regular inspection system of homes for the elderly so that the abuse which goes on there can be avoided. We have to be very careful, in terms of an institutional sense, of abuse through our financial and tax systems, that this does not happen as well.

I would also like to commend the Government on the fund for single mothers which Sen. Dr. St. Cyr did as well. It is one of the things which has appeared in the last year's medium-term policy framework and I believe also, it is Government's intention to work with Non-Governmental Organizations. I would like to ask that women's organizations and Non-Governmental Organizations be placed on whatever board is being set up to decide on programmes for these single mothers. The reason I ask for this is that so far the programmes which are being devised by Government for income generation amongst unemployed women have not been, to put it mildly, spectacularly successful.

Involving women themselves in the process—I am talking about women's organizations, but I am also talking about the women who are going to benefit—as FUNDAid does, is a far more effective way of achieving the objective rather than having a board comprising Government and other prominent citizens to get people actually involved. I cannot commend the Government enough for its support of FUNDAid which has been quietly changing the lives of the poor and disadvantaged

people in this country for years. It has been doing it quietly and giving people not only a means of income but a sense of pride, helping them to support their children; it has been giving people self-respect and respect for their communities. Rather than reinvent the wheel, it seems to me, Mr. President, that it might be a good idea to get FundAid in on the developmental programmes for single mothers.

One thing I notice from statistics submitted to Government about FUNDAid during the last six years of its existence is, in fact, 54.9 per cent of the loans made were to females. I am going along with the economic analysis made by Sen. Dr. St. Cyr this morning when he talked about getting away from manufacturing. Some 65 per cent of the loans that were made were in service and trade, and retail and distribution. It seems to me that if an organization has a proven track record which is so good—to borrow the hon. Minister's philosophy of "If it's not broken, don't fix it"—why not use the expertise that has already been well established through FUNDAid to help poor women raise themselves above the levels of poverty and degradation that they have been subjected to for so long?

FUNDAid reaches people who have no collateral, no hope, or cannot get into the ordinary financial system and it also has the lowest failure rate of any financial institution in terms of loans in the Caribbean, as far as I know. I think this is important because I have had the experience of working with the kind of people who need the help for which that \$25 million is going to be set up.

I would just like to call your attention to the sounds that are coming off the road right now and to wonder whether or not we cannot understand that when the Unemployment Relief Programme sends two clerks to deal with 800 people who want to get their cheques before Christmas what could happen. Let us assume that each clerk takes five minutes to verify identification and get things signed I am not a mathematician, but I can figure it out. If you take 800 people at five minutes each and divide it by two clerks and then divide that by one hour, it would take something like 32 hours for each clerk to do 400 people. If that is not institutional violence, I do not know what is. The day before Christmas, I do not wonder why people shout and carry on. A lot of those people were women upon whom rest the responsibility to feed, clothe and look after children for Christmas. That, in terms of management of an institution, is something which should never be allowed to happen.

Going back to the Review of the Economy; there are just two small points which I would want to raise before I conclude. I notice that in the *Review of the*

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Economy, it indicates that savings have continued to grow over the past year, not very fast, but growing. I know that Government is looking for a higher rate of savings and, again, this was confirmed this morning. I know it is important and I accept entirely the Minister's philosophy about leading us to self-reliance but there also seems to be an inconsistency of his own philosophy to have that 10 per cent tax on savings interest if we are moving towards self-reliance. I wonder, once again, if that could be looked at.

Insofar as the rest of the budget is concerned, I would not have time to go into each detail. All I can say is I support all the social measures; I think they are wonderful and very humane. I like the idea for a Centre for Performing Arts and the community college. I am all for the increase in funding for low-income housing. They are all worthy provisions and I am totally in support of them.

Mr. President, just before I conclude, however, I would like to say just a few words about the situation with regard to crime because it is one of the things that affects women very intimately as we all know. I am always slightly amused by the pundits who immediately leap into analysis as soon as the budget speech is being written and wonder whether they have had a chance to take a look at the documents. They always frighten me somewhat and that is what happened this year. We do actually have one, although there was not a special heading in the budget speech called "Crime", there was \$1 billion allocated towards it. I think the Minister of National Security who is not here at the moment, was quite accurate when he said it is not just money which one allocates; it is not just the Ministry of National Security that deals with the whole question of violence in the society. I think when it comes to dealing with crime—and I know how important the police are when it comes to dealing with crime—I think we have to develop new concepts within the police themselves.

When one can have—is it twice or three times in the last month—a gang of six men break-in to somebody's house and shout "Police! Police!" banging down the door and then raping a woman in her own bed in her house, we need a new way of looking at crime. The reason people open the doors, or accept that there are police coming in initially, is because we do have situations where police behave like this. What is a citizen to do if six men come banging on your door and say, "Open up, it is the police"? Am I to assume that the system now is that one no longer opens the door when someone bangs on it and says it is the police? What happens to a woman who does not obey an order from plain clothes police in an unmarked car, to pull over to the side? If you do not open the door when they

bang and yell “Police!” what happens? Are you resisting arrest or are you obstructing a policeman in carrying out his duties? We need a new way of dealing with violence, and this is not domestic violence; this is national violence. It is something which should concern all of us.

1.30 p.m.

Again, I refer to Prof. St. Cyr because I was so impressed with his speech this morning. He talked about the need to educate people in manhood. I would like to point out that we do have an organization within the police service called the Community Police Service, which is doing just that—I do not know if he is aware of it. They have, within the communities, brought a whole new awareness to what policing actually means, and it is not the crime fighting, it is the preventative side. They are actually in a number of communities—not all of them as yet—holding group support systems for men who batter, to help men who are violent to deal with their anger otherwise than through violence. They hold groups with women who are also violent towards children, and they hold groups with children.

I would like to make a special plea for more support for the Community Police, because it is one organization in this country which is actually making a difference, and it is reaching the people who perpetrate the violence. They are an example to other men of what manhood could be, because they are gentle and concerned and community involved. A number of them are Special Reserve Police. Still, they need to have stability. They need to have their employment stabilized, and their conditions improved, because they are doing what everybody in this community is asking for, and that is dealing with domestic violence. So, I make a special plea for that.

Mr. President, I do not have any other comments I want to make on the budget itself, except to repeat the plea that has been made many times by many people, that we change the national fiscal year and have it ended in September instead of December, so that we can have the budget debate during the August holidays instead of in December.

I thank you.

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. President, let me say how happy I am to have this opportunity to address the Senate this afternoon. I know that time is at a premium in the Senate, so I will get straight into the subject of my discussion.

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First, I wish to make some comments on the Public Sector Investment Programme for 1997, and indeed, to put that performance in some sort of context. We have had much talk about incompetence and mismanagement of the Public Sector Investment Programme in another place, but I will deal with that in due course.

I just want to indicate that we have had difficulties historically with the rate of implementation of the Public Sector Investment Programme. This has been for a number of reasons with which we are still trying to grapple. When we look back at the years 1992—1995, we will see, Mr. President, that in 1992 we were able to achieve an implementation rate of 54.6 per cent. I would not mention under what regime that took place. In 1993, we achieved a rate of 61.8 per cent. In 1994 there was an improvement with a rate of 71.5 per cent, and in 1995, 75.6 per cent. Then, a new administration came into office, and we were able in 1996, the first year, to increase the rate of implementation to 81 per cent. [*Desk thumping*] For 1997, we have been able to achieve a 75 per cent rate of implementation which, under the circumstances, is perhaps not what we expected, but it is fairly satisfactory. I would explain later on.

The Public Sector Investment Programme is a critical area of investment. It comprises the capital programme of the central Government, and indeed, the capital programme of the state enterprises. It provides for the developmental aspects of the budget, and for the provision of the economic and social infrastructure which we are able to put in place to promote the wider growth and development in the economy. Therefore, the Public Sector Investment Programme is critical for growth. It is critical for the progress we intend to achieve, and indeed, gives an idea of the priorities and where the Government places the priorities.

I want to further add that when we came into office, it was decided that we would be candid with the population. Where there are shortcomings, we would say so and explain the nature of the shortcomings; that we would not try to hide anything. We would be transparent in government as we promised in our manifesto, and indeed, in our subsequent statements. So, if one looks at the Public Sector Investment Programme for 1997, one would see in great detail there what we have achieved, what we have not been able to achieve, and the reasons. So the country will understand, and it will know of the actions we are attempting to take to deal with these problems.

When we looked at the Public Sector Investment Programme for 1993, and indeed, which should have included a report for 1992, to my amazement, there is no report for 1992 in this 1993 document, which is the usual pattern of things. But going through this, one will see that there have been significant shortfalls in a number of areas. Then, I looked through the 1994 Investment Programme which did include a report for 1993—and, as I indicated, the 1993 achievement rate was merely 61.8 per cent—and there are a number of difficulties which have been recorded in this 1994 report.

The more important contributory factor in the failure to have a higher rate of implementation was difficulties in fulfilling conditions precedent to first disbursement of loans and grants from multilateral sources. Then, slow procurement of goods and services. Then again, delays in securing approvals of inputs from regulatory agencies, and projects caught up in litigation. Of course, a final category is the implementation capacity, the human resource capacity in the public sector, particularly in the governmental services for project implementation.

Mr. President, we have sought to address these problems and, as you are aware, for 1997 we were playing with a number of problems, particularly with respect to meeting conditionalities under loans from the multilateral institutions. Two of the projects where we had undue difficulty in securing and getting the staff for our project implementation unit, and for meeting some of the other conditions, were the Health Sector Programme, which really did not get started last year, but we have now put everything in place, and we hope that the Health Sector Programme—the loan programme—will get into full gear in 1998. This is one of the areas that, as you are aware, we have to address critically.

The other programme was the road development programme where, again, we had difficulty in staffing the project execution unit, which is a key element in getting that programme off the ground, and of course, the question of moving maintenance from being a wholly central Government activity into a contractual mode, which is one of the conditions we needed to satisfy. The negotiations for that have been more protracted than we had initially anticipated. Of course, Mr. President, you are aware of the difficulties we found ourselves in with respect to the airport project which could not really get going for a number of reasons, having been caught up in litigation among other things.

What we have sought to do is have a closer relationship with the multilateral institution so that we would be able to make the conditionalities in quicker time, and we have had a closer collaboration, and we have also attempted to develop the

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human resource base in the public service by holding a number of seminars on the whole question of project planning, project implementation, execution and monitoring. For 1997 we have had two such programmes which we hope that once we have improved the staffing levels in this area, we would be able to have faster implementation.

We are currently working on this whole question of procurement arrangements. That has been a significant bugbear, the whole tendering process and all the delays involved in that, and how we can expedite the process. If we have a more expeditious procurement procedure, we would be able to effect a higher rate of implementation in the whole question of securing approvals or inputs from the regulatory agencies. Whether it is the Ministry of Works and Transport, the Town and Country Planning Division, the Ministry of Health, the Environmental Management Authority; all of these agencies have a significant role to play in the approval process for the various projects involved. We have set up committees to have a more expeditious approval procedure put in place so that we can meet with these delays.

1.45 p.m.

So that, having done a few of these things, we were able to step up our implementation rate. We hope to be in a better position in future to do so. In fact, for 1997, if we exclude the airport project from the expenditure which we had planned, we would have achieved an implementation rate of 83 per cent instead of the 75 per cent which we had estimated so far for the end of the year.

All in all, while there is a great deal of room for improvement, we have not done so badly, either in 1996 or in 1997 with respect to how this programme has performed. I merely thought that I would put that into the records in order to give this Senate and indeed the country, an idea of how we have been doing over the last two years in office.

I want to take a few minutes of the time of the Senate to indicate what we want to do in the next few years. There is no doubt in my mind, and in the mind of the vast majority of people in this country, that this Government has done well over the last two years, but we are not going to rest on our laurels. We need to do better in the years ahead of us in order to fully realize our potential as a country and indeed as a people, to enable all our citizens to enjoy a higher standard of living and indeed greater access to opportunity. The question therefore is: What vision do we have for the future? What kind of society do we want to create?

What sort of strategies do we need to employ in order to realize that vision? In other words, what are we aiming for and how do we want to set about achieving it? The need for vision is very clear, it is said that a people without vision perish. We certainly do not want this country to perish.

We may look to the distant future and indicate to the country what we would like Trinidad and Tobago to be. We see a society that is productive, creative, adaptive and self-confident. A country that competes effectively in the world and the effectiveness, which is its ability to find its way in the world, will be predicated on hard work, effort and discipline. A society where its members' material, mental, social and spiritual well-being is assured. A society where opportunity for self-development is available to all. A society that is caring, sharing and cohesive, where no one is left behind, where poverty and antisocial behaviour is reduced to the barest minimum and where we appreciate and respect our diversity while we promote national unity. We envisage a flourishing, functional, participatory and property owning democracy. This is a long view and the journey is indeed a rather long one. But we have just started and we intend to be here for some time.

Mr. President, what do we see for the medium term, say for the next seven years or so? The Ministry of Planning and Development has been engaged in an exercise to devise a national strategic framework which will provide guidelines and indicators over this period. This work has been delayed due to the limited availability of development planning resources within the ministry. Again, we have to be candid about these things. We therefore have had to seek assistance on the outside. We have had discussions with several stakeholder groups and have done a great deal of research. Early in the year the document will be put out to the public for discussion and on which, eventually, a consensus should be arrived at.

To give a very brief outline, we have decided that our development strategy will focus on a few areas. First of all, we will promote and facilitate business development, including the small micro enterprise and the informal sectors, quite apart from the more formal sectors. We also wish to promote balanced regional development. This is so critical because even if there are opportunities available in the country which are not accessible to people in certain areas, then they are without opportunity, so that a strategy for development must focus on what is in there for the regions and the development of the regions and the peoples therein. We want to pay particular attention—because of the nature of the problem with which we are confronted, the way the world economy is evolving and the necessity for us to come to grips with that reality and therefore, we need to promote science and technology, among other things, in our education system.

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We need to modernize the public service so that it will become service and output oriented and not, as is the case right now, a service that is process oriented. We need to have our priorities right with respect to what the public service is supposed to do—facilitate development, welfare and also offer within various services to various consumer goods. We also wish, in our thrust for economic development, to ensure that there is minimum environmental degradation, that we pay particular attention to our physical resources and environment.

We will also wish to promote increased private ownership in the economy as a vehicle for increased private participation and mobilization of domestic resources for investment. I will say a few things on this later on. While we do so and that, in fact, is the trend, it may mean that in some instances the Government will have to reserve the right to initiate investment in certain areas which are not being done by the private sector as a catalyst for development; not that we will maintain ourselves in certain areas in public ownership, but as a catalyst for development. But the basic strategy is to have the enabling environment to set the conditions for private sector led growth and development.

We will seek to attract technology by promoting what we may call pioneer industries in identifying work areas with appropriate incentives. Another strategy which we hope to initiate successfully will be to promote return migration of skilled nationals to accelerate business start-ups and indeed, to participate in economic growth. We have seen very many societies and countries in which the returning skilled nationals have played such a critical role in their development, including so many countries of the Far East. We want, in a number of areas, to promote this and I am just giving a very overall strategic view.

I now want to talk a little about our economic thrust and, while I will pay particular attention to the economic question, this of course does not mean that we are ignoring other areas of development; social, and other areas. The first order of business is that we have to increase our rate of growth if we want to propel the economy to higher levels of achievement. We want to increase our rate of growth, diversify its composition and sustain it. Over the last two years the economy has grown in real terms by over 3 per cent per annum. If we grow at a rate slightly higher than this for the period 1998—2004, we will have achieved a cumulative growth of about 26 per cent. In other words, if we grow at this rate or slightly more than that, by the year 2004 we will be perhaps 26 per cent better off than we are today as a country.

We believe that we have the potential to achieve a cumulative increase of 40 per cent by the year 2004, which implies an annual average increase of the order of about 5 per cent in real terms. In other words, what we seek to do is to be 40 per cent better off in the year 2004 than we are today.

2.00 p.m.

In order to achieve this overall rate of increase in real terms we have to look at the significant components of the gross domestic product (GDP) and particularly, the petroleum, agriculture, manufacturing and services sectors. If we are to realize this goal that we are looking towards, the petroleum sector would have to grow between 3.9 and 6.9 per cent per year. In various years there would be different rates of growth but this is what we are projecting if we are to achieve this level of overall growth. The agriculture sector would need to grow between 2 and 3 per cent in various years, the manufacturing sector between 2.5 and 7.5 per cent and the services sector between 3.5 and 6.7 per cent depending on the particular year.

The Minister of Energy and Energy Industries has outlined to this House what the prospects are for the energy sector and among them, of course, is the facilitation of more exploration both of oil and gas, the increased monetization of our gas reserves and, indeed, promoting downstream and secondary activities as was mentioned this morning. We need to intensify our efforts in these areas. As Sen. St. Cyr pointed out this morning, what we are going for is resource based industrialization and industrial strategy that is based on mobilizing the resources at our command most effectively.

In agriculture we propose to emphasize the provision of infrastructure. By that we mean both the physical and the financial infrastructure, the access roads, the water management, the incentives package which the Ministry of Agriculture, Land and Marine Resources has prepared, the marketing and, indeed, to achieve higher levels of productivity in the agricultural sector.

I do not want to say too much about Caroni (1975) Limited at this point but to indicate that its role in the agricultural economy has to be dealt with by a process of restructuring. This should have started a long time ago. It was not done. It is now left to us to take the bull by the horns and do something effectively and meaningfully about Caroni (1975) Limited and the resources under its command.

In the manufacturing sector we are proposing to encourage competitiveness. There are various aspects to facilitating competitiveness. One of them, as indicated by the Minister of Finance, is to seek ways and means to lower the tax burden on

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businesses, particularly, smaller scale businesses, but more importantly to place emphasis on technology and infrastructure and encourage businesses in various ways to improve their productivity because that is the only way that we are going to stave off competition from imports and advance prospects for exports. There is really nothing more critical than to improve our productivity and efficiency levels in the manufacturing sector.

With respect to services, the first issue is to diversify our services whether it is the hospitality industry to place emphasis on it together with our financial services, informatics, telecommunications, transshipment and so forth. It is so important because when we look at the structure of our economy today we see that in 1997 the oil sector comprised 26.7 per cent of our economy's GDP, agriculture, a mere 2.2 per cent and manufacturing, 8.5 per cent. The services sector which is inclusive of government is 61.2 per cent of the economy. Thus, even today, services play a very crucial role in our economy and we need to do that.

In order for us to achieve this rate of growth that we are projecting from 1998 to the year 2000 we need to achieve a savings rate of about 25 per cent as mentioned in the budget. The external savings have not been very significant and, therefore, we need to boost our domestic savings rate. In order to do that, Mr. President, the national savings rate is projected to reach 19 per cent in 1998 and this is compared to 17.5 per cent in 1997. There is that trend toward increasing the rate. This increase is expected to rise as a result of the availability of new financial instruments on the market.

The Minister of Finance spoke about the reform of the pension system which will increase and accelerate our rate of savings. He also spoke of employee stock option plans, again this is a method of increasing the pool of savings available to us. There is the whole question of the tax on the interest on savings to be dealt with during the course of the year and other initiatives taken as a package to increase the level of savings.

I inform this House and the country that savings is also a cultural phenomenon. We have to instil in the population a sense of deferred gratification throughout society, that what you do not consume today is made available for the future and you can have access to it in the future. This is one of the ways to effect a higher rate of savings, by making people conscious about the necessity to save and the reason for savings.

I am confident that as we put all these measures into operation, by the year 2004 or earlier, we would have achieved a savings rate of 25 per cent which is not

a very high percentage given the savings rate in the faster growing developing countries.

In the public sector we are, of course, doing our bit. Savings by the central Government in 1995 was only 50 million but this increased by 694 million to 744 million in 1996. Unfortunately, however, private sector savings went into decline and that is something to which we have to pay particular attention if we are to achieve our goal.

Mr. President, we are also in the mode of export-led growth and development and if we are to achieve the targets that we have our minds set on, then our exports must increase in real terms by an average of over 6 per cent per annum.

At this point in time, non-petroleum exports as a percentage of total exports is about 30 per cent. We need to increase that to over 40 per cent. This is the vision we have for the diversification of the volume of exports.

2.10 p.m.

Mr. President, we believe that these increases can be achieved given our potential. Compared to many Caribbean and Latin American countries, our economy is somewhat under-performing and the ingredients seem to be there. We have stabilized inflation; we have generated fiscal surpluses; we have carried out structural reforms in the economy; we have opened up the economy; we have gone for more private sector involvement in the economy; we have opened up ourselves to more competition. We do have a fairly well educated population and comparatively adequate financial markets. Therefore, the basic ingredients seem to be there. Why then has not this economy grown at a faster rate than we have experienced? There are certain questions which must be posed and an attempt to identify where the constraints might be and, of course, to deal with those constraints.

We have to ask ourselves a number of questions. Is the Trinidad and Tobago economy fully and properly integrated into the world economy? Indeed, are our marginal tariff rates higher than our competitors? Secondly, are we targeting the right markets? Let me say at this point that one of our major regional markets is CARICOM, but while we need to consolidate ourselves in the Caribbean Common Market, we have to be realistic that the growth of the Caribbean Common Market is limited. Therefore we have to look elsewhere. We have to broaden our trade horizons and of course the obvious choices, apart from Europe and North America, will be Latin America where we are, in fact, making a particular thrust. Is

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it because of our relatively lower competitiveness with our competitors? Is it tariff and non-tariff factors which are responsible for a higher cost? I want to indicate, just to see what some of the problems are, that a study has revealed that our maritime transport cost in Trinidad and Tobago is 16 per cent higher than the rest of the region. Is it a skills gap that we face? There is sufficient evidence to indicate to us that there is a lot we need to do in the area of skills development, particularly at the tertiary level. We are aware of the problem.

The University of the West Indies, in its own strategic plan, has addressed the problem. I do not think I have time to quote what they have said here, but they have done so and spoken of the need to increase the level of training and the graduate population particularly in the areas of science and technology. We are putting in place a community college to rationalize and expand the area of tertiary education in the country. We have had to do, on a very *ad hoc* basis, skills development to meet the needs of industry in the Metal Industries Company. We have pushed them to get into short term intensive programmes. In 1996, 602 persons graduated and in 1997, 1,100. The longer term programmes which require a longer period of training, in 1996, 236 persons graduated and, in 1997, 253. The Youth Training and Employment Programme, which is at a lower level of skill but very necessary to fill the gap, in 1996, 8,248 persons graduated and then—we do not have the figure for 1997 but I imagine we would be graduating numbers of the same order. We are attempting to deal with these constraints initially in the context of a wider programme for the strategic development.

The other question we have to face is to what extent we have a volatility problem? That is that our economy tends to swing from non-growth to growth but we have not been able to balance our development and our growth over the period. One of the things, of course, is that as we diversify and place perhaps a little less reliance on the petroleum sector, we would be able to deal with this problem of volatility. But it also is a fiscal problem and this is one of the things that the Minister of Finance is attempting to address, that when there is pressure on the economy and the revenues and so forth, the first place that gets hit is the capital programme. You tend to reduce your capital programme in order to meet your revenue targets and so forth but by doing so you are further contracting the economy and pushing it into a non-growth mode. Therefore we need to have a continuous rate of capital programme expenditure over the period.

This is why the Minister of Finance has set up this development fund where you put moneys which are available for the future and when there is need and your

revenues are falling, you can tap that resource to maintain a balance in your development expenditure. We are attempting to deal with the volatility problem of this economy in those ways and, of course, I have already spoken about the rate of savings.

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

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

Question put and agreed to.

Hon. T. Sudama: Mr. President, if I may sum up what I have been saying and where we are attempting to put the emphasis. One of the slogans for development for countries such as ours has been to concentrate on education, exports and an enabling environment; the three keys. I have already spoken about education, at least at one level, but I just want to add that the education programme has to be a holistic programme. We are taking initiatives in the area of pre-school education, primary education which has come under the World Bank project which is now being executed and indeed, Mr. President, we are going into a secondary education programme. We are having discussions on that in order to fill the gaps. We want to deal with this programme of the shift system as quickly as possible and, of course, the re-orientation of our secondary programme in order for there to be a greater pool from which we can draw for tertiary education. We will be having negotiations with the Inter-American Development Bank on that programme this year in order to get into a secondary education programme and, of course, at the tertiary level and the various initiatives that are being taken including distance learning.

I have already spoken about exports and what we need to do and the enabling environment. The enabling environment is one which has become more and more conducive to investment over the years and particularly in the last two years. We have taken all the fiscal measures, the monetary measures, we have been facilitating investment and indeed, during the course of this year, we will be bringing before Parliament the Investment Promotion Bill which will be a measure which will put greater emphasis on promoting investment, in particular foreign investment; though we also want to pay greater emphasis on domestic investment.

Let me just say a few words on the strategies with respect to exports. We have to come to grips more with the whole question of trade liberalization. We have to enhance our competitiveness. We have to develop the sectorial programmes to

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ensure that our exports are a little more diversified. We have to pay particular emphasis on market access opportunities. It is not just a question of market access, it is a question of penetrating markets so that while we may sign trade agreements and memorandum of understanding with countries, we have to get in there, into the markets, get the contacts and then do the exports. Earlier on the Minister of Trade and Industry spoke about the establishment and expansion of free zones which will also assist in the export effort. We need to provide the institutional support facilities, the information with regard to markets, the technology that is available. We have to deal with things like quality standards, packaging and all the other things associated with marketing, and then the enabling environment for which we have to have a stable economic system encouraging savings and investment; one that facilities sufficient resource allocations with which we are grappling; one that promotes exports which will lead to diversification and so forth.

2.25 p.m.

Now, with respect to increasing the level of investment—what is the environment that we wish to create? This is, to have a predictable interest rate and exchange rate parameters. This is not to say that the interest rate and the exchange rate will remain fixed, but will operate within fixed parameters. I have already spoken about the investment promotion act and, indeed, bringing into being an investment code.

On the question of establishing a regulatory framework: As is known, we had set up the Securities Exchange Commission and we are looking at the regulatory framework for financial institutions; then, we are looking into the whole question of improving the physical infrastructure. That has been an area of neglect and we are looking at all the areas.

Right now, we are looking at the road transportation system and trying not only to rehabilitate the existing road network but, indeed, to identify those roads which are of priority for development, including San Fernando to Point Fortin; we are going to the East and we are going to the North. We have a plan for the rationalization of the port and we are looking at the whole of the Gulf of Paria, from Carenage right down to Cedros, looking at the potential of that area for port and other development.

Then, we have devised a programme to deal with the water problem and the availability of water over the next few years which is required, not only for the industrial programme, but to improve our supply to domestic users. The physical

infrastructure includes the airport where we are going to make a determined effort this year to get things moving on the airport. They had four or five years in which they went in circles, but 1998 will be the year of movement on the airport.

Sen. Mohammed: You are going around in squares.

Hon. T. Sudama: I just want to give an indication that we will bring to this Senate within the year a development of land bill which will identify land use and put the framework for land development in this country.

So that, Mr. President, you will appreciate that we are working on a very wide front and, indeed, that work, much of which has not seen the light of publicity yet, will bear fruit very shortly. But we know where we are going; we know where we want to go; and we are putting in place the things that are necessary to get there. Our plans are also matters of aspiration. In the past, we did not have regimes that aspired a great deal to anything, but we are setting a different tone for this country.

Mr. President, there are a number of things I want to talk about, but my time is limited. I want to make just one comment before I take my seat, that is on our vision for regional development which I touched upon earlier. What we are aiming to do is to build self-reliant communities. We want to build infrastructure for greater community-based employment as a complement to employment away from home; we want to deepen the policy of decentralization; we want the regions to contribute to, and to invigorate their own social and economic development and, in order to do this, we want to give consideration to the establishment of social and economic development councils which have a regional base. Those councils would incorporate regional corporations, the business community and the community-based organizations. What we need to do is strengthen capability at the community level for greater involvement and participation.

We also want to have community-based access to computerized databases in the communities to obtain national and international information, whether it is access to the internet for research, whether it is for learning, or whether it is for training or skill development. Today, information is a vital ingredient in development.

Mr. President: Mr. Minister, just to advise that you have three more minutes to wrap up.

Hon. T. Sudama: Mr. President, I mention this because we want to facilitate self-learning not only in the schools, but self-learning out of schools, life long

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learning and, importantly, we want to ensure that the benefits of development reach down to the communities and that the communities do have an opportunity to participate in their own development. Because very often what we have noticed in the kind of strategies that have been embraced, is that we do have growth and a measure of development, but while we do have that, we have disparities, both in terms of income and in terms of access to regional facilities.

So that if we are going to have a measure of balanced development, this Government is very mindful of the fact that it has to pay particular attention to what is going on in the various regions and, indeed, in the various communities.

Mr. President, I just want to end by saying that this Government is not building its foundations on shifting sand, but it is settling down, finding the rock, a rock on which it will build and that building would last forever. Thank you very much.

Sen. Cynthia Alfred: Mr. President, please allow me to add my best wishes to you and your family and to this Senate for 1998. It is my wish, Sir, that God will continue to bless you so that you would be able to continue to preside over this Senate in the manner in which you have been doing. [*Desk thumping*]

Mr. President, I believe that the Minister of Planning and Development, I am sure knows nothing about me, so he would not have anticipated that I would have had something to say about the Public Sector Investment Programme. So when he spoke about it I was rather pleased, because it has given me the opportunity to start my contribution, by just making one or two statements.

The Minister, in his usual measured fashion, spoke about 83 per cent implementation and so forth. He spoke about transparency and that was good and I am sure the Minister would be the first to admit, therefore, that in respect of the 83 per cent growth that came about in 1997, one observed it was a consistent growth from the previous government into this one, therefore, I am sure he would not fail to give credit to the previous government for initiating the programme and for the consistent growth that eventually spilled over for this Government.

Mr. President, the Minister also spoke about the airport. He mentioned that 1998 is a year of movement for the airport and all I can say is that there is movement and there is movement. So, we would hope that the movement would be in the right direction.

Finally, the Minister also spoke about finding a rock. Well, I think the Minister is an honest person and he said they needed to find the rock, so they are still seeking.

Mr. Sudama: Seek and you will find.

Sen. C. Alfred: We have found it and I hope that you will eventually so find.

One other thing, Mr. President, the Minister spoke about the year 2004. He said in the year 2004, growth should be about 40 per cent.

Mr. Sudama: Cumulative growth.

Sen. C. Alfred: And I said to myself he was being a little optimistic because 2004 would take us beyond another election and I said to myself that perhaps the Minister knew something that we did not.

Mr. Sudama: Would the Senator give way? I did mention that we would be here for some time.

Sen. C. Alfred: I do remember.

Now, Mr. President, having said that, I would like to mention from the *Public Sector Investment Programme*—I looked at it and I asked myself certain questions and this was prior to the Minister speaking. On page 6, Roads and Bridges:

“A large allocation, \$308.0 million, was made in 1997 for investment in the upgrading of roads and bridges. However, only moderate progress was made in the implementation of these works and it is estimated that only \$188.0 million or 60 % of these resources will actually be utilised during the year.”

I said to myself, “How ironical?” Because here it is we are talking about \$308 million being allocated, with only \$188 million being used but Tobago only got \$80 million. That is one, Mr. President.

Then I come to another, Transport and Communication:

“A very large allocation, \$312.0 million, was also made in 1997 to finance improvements in air and sea port infrastructure. Of this sum, \$300.0 million was allocated to implementation of the New National Airport Complex at Piarco. However, owing to complications which arose in the contracting process for the construction of new terminal facilities, there has been considerable slippage in implementation.”

Again, \$312 million and of this sum \$300 million was allocated; to date, I do not know how much has been spent but when the figures are looked at, of so many millions, Tobago—I shall speak at length on Tobago, I am afraid—got \$80 million. Under Water and Sewerage:

“Implementation of the rehabilitation of the Beetham Sewerage Facilities was not significantly advanced in 1997.”

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For various reasons. Again, a substantial sum of \$28 million; nothing much was done; the money, however, was allocated. Finally, Education and Training:

“An allocation of \$171.0 million was made in 1997 to finance projects and programmes related to education and training. The major component of this investment programme was the IBRD Fourth Education Programme which was allocated \$71.7 million.”

The point:

“Despite the high priority assigned to the programme, implementation progress lagged substantially,...”

We come to the word “lag” again.

“...lagged substantially, largely owing to difficulties encountered in the preparation of architectural and engineering designs.”

Again, Mr. President, I need not repeat. The figures speak for themselves. So much money in the Public Sector Investment Programme; so many millions and a mere \$80 million to the Tobago House of Assembly, but I shall come to that.

2.40 p.m.

If the funds are being mismanaged, please somebody do an investigation, a spot check, an audit, but do something and not allow mismanagement to continue and, by extension, punish the people of Tobago. All the people did was to vote for whom they wanted. The PNM has no problem with that. We would support anybody who is legitimately voted into office in Tobago. We will not condone mismanagement but at the same time, we will not condone anybody else just saying, perhaps, the funds are being mismanaged and by trying to punish the Tobago House of Assembly, punishing the people of Tobago. They do not deserve such punishment.

I want to ask a question: How is Tobago regarded by this Government? It is not a rhetorical question and I am sure I am going to get a reply from the Minister of Finance and Minister of Tourism. I ask the question because I want to make a point that neither the physical dimensions nor the population size of Tobago is indicative of the intelligence, and indeed, of the aspirations of the people of Tobago. Tobago’s population is small, but it does not mean that things must be given to it in small measures.

For example, if one were to build a road from Charlotteville to Crown Point, two extreme ends, right down to the West, let us assume for a moment that only 500 people were to use that road, would it then follow that the material that would be used for that road would be less in quantity and substance and everything else? It could not and it should not be. Even if it were 500 person, even if there are five persons using that road, the road still must be of the consistency where every sort of vehicle and person could travel on it in safety.

I am of the impression that one says “Tobago small and so give them \$80 million or whatever and let them see what they can do with that,” but here is the irony of the whole situation. Though Tobago has been allocated \$80 million, listen to what the Chief Secretary says in the *Tobago News* of Friday, December 19, 1997:

“So now we are faced with 1997 debts of \$67.1 million which must be met out of our 1998 allocation of \$80 million as proposed by the Minister in a national budget of \$1.6 billion. That would leave us with \$12.9 million to develop Tobago. ‘This is a disaster,’ declared the Chief Secretary.”

Mr. President, it is more than a disaster. This is a situation that I do not think anybody would want to have oneself in. It is almost a macabre situation. If the Chief Secretary is to be believed, here it is that they have incurred debts of \$67.1 million, they did not get the amount they asked for so they have to pay the \$67.1 million before they can spend out of the \$80 million and then there is a balance of \$12 million. If that is the fact, Tobago for the first time in its history will be getting \$12.9 million for its development programme. So somewhere along the line there has to be some rethinking in respect of Tobago.

A further irony is that in some cases, under the Public Sector Investment Programme many ministries have been given so many millions they could not spend. The Tobago House of Assembly does not get enough millions so they spend. There must be a lesson somewhere to be learned. Some are getting more than they can spend. The Tobago House of Assembly contends it is not getting enough so it spends and when it does, there is trouble. Again, it is the people of Tobago who are going to have to pay.

The Chief Secretary further continues, and if I may quote:

“The meagre allocations show a lack of understanding and appreciation for the social and economic development and needs and aspirations of the people of Tobago...And this is not in keeping with the Government’s

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declaration, on Page 25 of its Medium Term Policy Framework for the years '98—2000 which states: 'The Government of Trinidad and Tobago has committed itself to addressing the deficiencies in the economic and social infrastructure in Tobago through the rehabilitation of the roads and bridges, the water and sewerage system, primary and secondary schools, drainage and irrigation, health facilities, urban development, tourism and community programmes.'"

The representative for Tobago East said somebody said that the Government does not care for Tobago. He was referring to the Leader of the Opposition but here it is the Chief Secretary says:

"Our 1998 allocations, as proposed by the Minister, are clearly not consistent with Government's expressed commitment to Tobago,' declared Charles."

Mr. President, that is where the people of Tobago are suffering. I hope that the other two Senators—I know the Independent Senator will speak as she sees fit—on the other side will themselves articulate the needs of Tobago submerging perhaps, for once, party affiliation. Party affiliations go over and beyond the aspirations of Tobago. It is left to the PNM and when we say that the PNM cares, we mean it and even though Tobago has not voted for the PNM for so many years, we do not hold it against the people of Tobago. They voted as they saw fit and as I said, we will support any administration which is there for the good of the people of Tobago.

Hon. Minister of Finance, please do not allow the people of Tobago to suffer for whatever reasons, perhaps wanting to punish somebody or some bodies.

I want to make another point. I hope that the Minister of Finance and Minister of Tourism would give some consideration to this particular fact. There is a minority leader in Tobago. I spoke before about the Members of the Assembly not getting their correct salaries. What is very interesting there is that the minority leader is getting the same money as a representative—just the flat sum—he gets nothing as minority leader. Of course, he does not have an office but he gets no other remunerations. What is so interesting about the whole issue is that the secretaries are getting 'X' amount of remuneration and the assistant secretaries are getting 'X' amount of remuneration. Funds were put into the budget for increased salaries to members of the Tobago House of Assembly but the minority leader gets one flat salary as representative of the people. Very interesting and discriminatory. I want to quote a bit from the editorial of the *Tobago News* of Friday, December 19, 1997:

"Budget of Despair!"

It is talking of course about Tobago.

“During the course of the new year, the Tobagonian who will be disadvantaged by the scarcity of development funds and the consequent negative impact on the provision of jobs and the initiation of projects, would not be particularly concerned about whether his plight was caused by the insensitivity of the Central Government. What would be important to him is that while the accusations and counter accusations are hurled across the waters, his fortunes would be on the decline.”

2.50 p.m.

By now most of the people in the country would have known that about two weeks ago, there was an unprecedented occurrence in Tobago. All the Senators in Tobago were invited to a meeting of the Executive Council of the Tobago House of Assembly for discussions on the estimates for 1998. I make the point because I got the impression that the PNM supporters in Tobago particularly, were scared of my attendance at the meeting. I am not sure what ideas they had. I assure them and the national community that I attended the meeting on direction, out of courtesy and I must admit, out of curiosity. I want to allay the fears of any PNM supporter in Tobago or Trinidad, that I have no intention of moving from the PNM to anywhere else. They do not have to be fearful. There is absolutely no doubt in my mind.

Most of all, I am not here to enunciate the views of the Executive Council of the Tobago House of Assembly, or the Assembly itself. I make this point because if there were any doubts in the mind of the Executive Council or anyone else, one has to bear in mind my position, that is, a PNM Opposition Senator. I think my role is to listen to what everyone has to say, particularly about Tobago, make my analyses, and then, speak as I see fit. Subsequent to that meeting, I met with the PNM representatives in the Assembly and got their views as well. I wanted to make that clear and put it on the record.

The cover of the *Budget Statement 1998*, says, “Opportunity for all, A Blue Print For Human Development, Savings and Asset Building”. Human development embodies freedom from stress. In order that people may develop properly, certain health things must be put in place. One is freedom from stress. In respect of Tobago, Tobagonians are under a lot of stress for many reasons, not the least of which is the transportation problem between Trinidad and Tobago. At the risk of rehashing certain things, as I said before, I would like to let the Minister of Finance and Minister of Tourism know that Tobago is under a lot of stress. We believe that

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he is able to do a lot to remove the stress. When it is said a blueprint for human development, please reconsider the position of Tobago, not only in respect of transportation, but also of other areas. I shall speak about that as I go along.

I would take this Senate back to November 6, 1995. That was an occasion I am sure no one would forget. The point I want to make here is that there were 17 seats for UNC, 17 seats for PNM and two seats from Tobago. We believe that there must have been some consideration in respect of Tobago, so that one side could have formed the government. The two seats from Tobago could have gone either way, but they went a certain way. We have no quarrel with that. I would not presume to assume that there were any other considerations. I believe that reason had to be that some special consideration would have been given to Tobago.

When the Prime Minister spoke of a government of national unity, it was only then that it occurred to me that he intimated that Tobago was included. It had to include Tobago because it played and continues to play a pivotal role in the set up of the Government of Trinidad and Tobago. It was said that Tobago held the balance of power. We have a problem with the manner in which Tobago is treated. I will explain further. What we have is not only a UNC/NAR coalition, but also a UNC/NAR/Tobago coalition, because Tobago has made the difference. Since it has made the difference, I suggest that Tobago should be treated as if it has indeed, made the difference, otherwise we would have been there, and they would have been here. If that is the case, Tobago must be given some special consideration.

It is very significant that in the House of Representatives, there are two representatives from Tobago. One representative said nothing, and out of 24 pages of a contribution by the Minister for Tobago Affairs, three pages were devoted to Tobago. I will deal with that as I go along. In 1996, Sen. Orville London who was then where I am today, made the point that Tobago had made the government possible. In 1997, even though some appropriation was made to Tobago, those of the Executive Council had to sweat it out for quite some time, before they were given the assurance that they would get some funds, and even when they did, it was far short of what was asked for.

The hon. Minister of Planning and Development spoke about transparency. I believe in transparency. Both in Trinidad and Tobago, it is being whispered, and in some cases shouted, that moneys are being misappropriated in Tobago. If that is the case, one would assume that the necessary steps would be taken by the appropriate authority to have the matter investigated. Tobago is being punished for alleged mismanagement of the funds.

3.00 p.m.

I have to agree here with the writer of this editorial. The Tobagonian is not too concerned about who did or did not do what. The Tobagonian is concerned about the fact that his fortunes will decline. There are private sector investments in Trinidad and, as far as I know, not one cent goes to Tobago. What incentive is there for the private investor to go to Tobago so that Tobagonians can benefit? There are one or two hotels and another coming on stream. But how many will there be to meaningfully employ people in Tobago whose qualifications far supersede those required for the running of a hotel? We need investment in Tobago and now is the time, if ever there was a time, for someone to say that the aspirations of Tobago must not be confined to its size.

Mr. President, I took the opportunity of comparing figures in the recurrent and development programmes with respect to ministries in Trinidad and the Tobago House of Assembly. I must say that one must give Jack his jacket. The Ministry of Education will get \$X million, the Ministry of Sport and Youth Affairs, so much. All the ministries get \$X. The Tobago House of Assembly, under its recurrent and development programmes gets a small sum. In the *Tobago News* dated Friday, December 19, 1997, Mr. Charles said that:

“...what many people, ‘and even some in Government’ do not yet appreciate is that ‘the Assembly staffing today includes doctors, nurses, teachers, engineers, agricultural officers...whereas, in Trinidad, these salaries are paid by the relevant ministries.’

Recurrent expenditure, Charles stressed, also includes repairs and maintenance of roads, schools, health centres, community centres and all public buildings, including police stations, the President’s House...

We are responsible, too, for buying equipment and furnishing for all the departments in Tobago, including the Regional Health Authority.”

Then he concludes:

“And all of this from our Recurrent Budget which is short by more than \$177 million, and this from a national budget of \$11,287,298,076...”

Mr. President, in Trinidad the Ministry of Education will pay its teachers. The Ministry of Health will pay the doctors and the other health staff. The Ministry of Works and Transport will pay its own people. In Tobago, however, the Tobago House of Assembly pays everybody, with the exception of the staff of the

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Ministry of National Security. Yet, Mr. President, there is a tremendous shortfall in the allocation. Not for one moment would I suggest that any ministry, the Assembly or any statutory board would get all the moneys it asks for, but when we look at the paucity of the allocation for Tobago, we have to ask ourselves, why?

There is something else of which I have thought. It was in another place at another time that there was mention of a debt write-off for Guyana of US \$52 million. When I heard this, I said: "Lord, can you imagine if the Assembly were given that amount of money for the development programme, or even some of it put in the recurrent expenditure?" These are things we must consider.

I come now to the question of transportation between Trinidad and Tobago. I mentioned it before and said I would come back to it. You would remember, Mr. President, that I posed the question on transportation some weeks ago. The Minister knew things were not as they should be and he gave the assurance that things would improve. As a matter of fact, I saw a headline on page 3 of the *Tobago News* on Friday, November 28, 1997, which says, "Liat flies T&T airbridge". When we all read this we said that it would ease the problem. Of course, it did not say that the fare would be reduced. It said:

"LIAT has gotten the nod to fly the Trinidad/Tobago Airbridge from last Wednesday...

Atla chairman Allison Williams in confirming this said that the Liat licence was for an initial period of three months, at the same rate structure granted to Air Caribbean with effect from October 22."

We are still waiting. The situation remains the same. The airfare is still the same, and LIAT has not yet started to fly.

In respect of boat transportation, we all know that the businessmen in Tobago were ready to do something drastic because their goods were not coming to Tobago as they wish. We were told that the *Panorama* would be on stream today, Monday, December 29, but we understand now that it will come on stream on January 12, 1998, hopefully.

Mr. President, I am not one to beat a dead horse, but we cannot over-emphasize this question of transportation. It really is a bugbear. People are afraid. Air Caribbean not being able to take all the passengers is bad enough, but the greatest thing is fear—fear by those who are travelling by boat, that the boat may

not reach Tobago one day or night. That is the greatest concern. It has broken down; the lights have gone out; people do not know where they are. It takes nine to 12 hours to reach Tobago. It is indeed a situation for concern and the *M.V. Tobago* is doing its best, but how much can it do? It is a very old boat. Something needs to be done to let Tobagonians feel that they are being taken care of and that people do care for them.

I just want to make some comparisons between the recurrent expenditure and the development expenditure. There is one in particular I would like to mention, and that is the increase in funds for national security. I am glad that there has been such an increase, almost \$1 billion. I can only hope and pray that some of that money will be used for improvement where necessary in Tobago.

3.10 p.m.

I look at the Ministry of National Security's allocation of \$1 billion, for which I am glad, and I look at Tobago's allocation of \$80 million, there is no comparison. *[Interruption]* Mr. President, that was a rhetorical question and I am sure it will be answered at the appropriate time.

Before I go to the recurrent expenditure, I would like to respond to some of the things the representative for Tobago East said. Now, the problem of the representative for Tobago East seems to be where the hon. Minister is not. The hon. Minister is now in the UNC Government, so there is no problem in Tobago as far as he is concerned. I looked at one or two places where the hon. Minister went on to say:

“Mr. Deputy Speaker, before I came here I pleaded, I begged, I cajoled, I marched up and down this country, I gave lectures, and seminars, I did everything...”

and I asked myself, why does he not do this for Tobago? He then goes on to say:

“Language is one of the most powerful tools in the possession of a human being, language, the words we use.”

I would hope, Mr. President, that the same hon. Minister—

Mr. President: Hon. Senator, please be informed that one may not quote speeches from the other House. You may make reference or synopsis of speeches in your contribution.

Sen. C. Alfred: I thank you, Sir. I make reference to something which was said about Tobago by the hon. Member for Tobago East. He spoke about Tobago, but as I mentioned, Mr. President, out of 24 pages, not even three full pages have

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been devoted to Tobago. If one looks at the substance or lack thereof, one would ask oneself: What has the representative been saying about Tobago, for Tobago? He just glossed over everything where Tobago was concerned using expressions that, perhaps, he would understand. However, Mr. President, all I can say is that I wish the Minister for Tobago Affairs acts as the Minister for Tobago Affairs and that he looks at the 1998 Budget Statement as it affects Tobago, and speak sensibly and constructively on the budget allocations for Tobago.

I now turn to the recurrent expenditure. I want to make one comment and that is in respect of consulting and other contracted services. In 1996, \$11 million was actually spent. The revised estimate for 1997 was \$13,629,800. The Tobago House of Assembly's estimate for 1998 is \$62 million. The Ministry of Finance proposed \$14,989 million. There is a decrease of \$47 million. Mr. President, I ask myself: Is somebody mad? Here it is that up to 1997, \$13.5 million was expended and there was a request for \$62 million then, and the Tobago House of Assembly got \$14 million. It poses two questions: What justification did the Tobago House of Assembly have for such an increased figure? Is it that the Tobago House of Assembly genuinely—It says here that it is for contracting and consulting services. These are people who are not in the mainstream of the public service, therefore the Tobago House of Assembly must have some sort of justification for wanting this very large figure. The figure has been reduced by \$47 million, so the question therefore is: What happens to those persons whom the Tobago House of Assembly have contracted? Why has consideration not been given to the increased number of persons whom the Tobago House of Assembly wanted to contract? Is it because it was felt that those persons were not needed? If those persons are not contracted, what happens to whatever works the Tobago House of Assembly has in mind? I suspect, Mr. President, that the Tobago House of Assembly, as well as the Minister of Finance, will have to work that out. However, it seems to me that there is rather a great disparity in the amount that was asked for and the amount which was given. It is very worrying, indeed, Mr. President.

Finally, I come to the development programme. I have noticed in some areas in the development programme in Tobago—and I felt rather pleased—community centres came in for quite a bit of funds. I commend the Minister for that. The Tobago House of Assembly did not get all that it asked for but there was a substantial amount and I think it is good because the communities need the centres so that they could do community work. We believe when persons get involved in community work they keep away from drugs and other related crimes.

I now refer to the Milford Coastal Protection. A sum of \$6 million was requested to provide remedial work for the restoration of slope failure at the Scarborough Secondary School. If there is one plea which I am going to make, Mr. President, it is for this money, whether it is for the whole \$6 million or a portion of it. I know since 1974 or even before that, there was a slipping away of the land. There is something natural about that land slipping and remedial work has been done to keep it up. I have noticed that not one cent has been given. Obviously there is a reason for it, but as I said, if there is one plea I want to make it is for that, because I suspect that somebody is going to run into problems if that situation is not addressed.

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. N. Mohammed*]

Question put and agreed to.

Sen. C. Alfred: Thank you, Mr. President. Thank you, hon Member for extending my speaking time.

With respect to the Belmont Road, I noticed that the Tobago House of Assembly asked for \$12 million and it got \$300,000. I think it got \$4 million sometime before. I took it upon myself to look at some of the projects which the Tobago House of Assembly had under construction to see for myself, what I thought of the moneys it asked for and the moneys it did not get. I am not an expert but some of what I have seen I was quite impressed with but it is up to experts to say whether, in fact, the moneys were expended as they should have been. Mr. President, remember there is a Mason Hall Secondary School—I see here Mason Hall Primary School, but I suspect it is the secondary school—is going to be built at the end of the Belmont Road. I believe that school should be coming on stream soon. It has not really started, but the Belmont Road is crucial to that school.

3.20 p.m.

Mr. President, I now turn to primary schools. With respect to quite a few primary schools such as Montgomery Government, Bethesda Government and a few others, no money has been allocated for them. I see, however, that some moneys have been allocated to the Buccoo Government School.

I spoke about the community centres. There are two other areas I would like to mention; one of them is the Scarborough Library. I see here that the Tobago House of Assembly has asked for \$7.2 million and they got \$400,000. The Scarborough Library was one of those buildings that was seriously affected by the earthquake. As a matter of fact, I do not think that the library should be used because I believe it could collapse at any time. It has been said that it is unfit but there is nowhere else, so the library is being used. But when you see here \$7.2 million and they have only allocated \$400,000, from the damage I have seen, that cannot even scratch the surface so something would really have to be done about that.

With respect to the design and construction of a new hospital, \$3 million was asked for but none was given. Somebody pointed out to me—it could be checked—that the last two elections in Tobago; the question of the new hospital was one of the things that was used and many persons of Tobago voted for a new hospital, that is, 1995, 1996 and to date, we have been hearing quite a few things about the hospital but here it is that there is a request for \$3 million which is only for consultancy service for the design of a new hospital. Even so, I do not see any allocation for this new hospital and I am sure that must have been an oversight.

With respect to the purchase of new ambulances. The Tobago situation is crucial and critical when it comes to ambulances. It is a horror. Something needs to be done. The Fire Service is the one that most times, would provide ambulance service. There was a time not so long ago when the Fire Service vehicle was under repairs, there was none at the hospital and I can tell you the confusion that existed. I know for a fact, that one person was supposed to be moved out of the hospital to go to his home, he could not sit in a car so they could not move him because there was no ambulance available. I see the sum of \$1 million was asked for but nothing has been given. I think that ambulance service really needs looking into; we need two ambulances. *[Interruption]*

Sen. Hamel-Smith: Mr. President, the copy of the development programme 1998 that I am reading from provides the full \$3 million allocation in 1998 for the design and construction of the new hospital. She has referred to it as having no allocation. Similarly, under purchase of ambulances, the full amount of \$1 million is being referred to as not having been allocated, but that is also under the 1998 provisions. I think Sen. Alfred should have her records reshaped.

Sen. C. Alfred: Mr. President, I beg your pardon, Sen. Hamel-Smith is perfectly correct. Thank you for that correction. Sorry, it is just a mistake here

actually. Thank you, Mr. Vice-President. Yes, the \$3 million and the \$1 million have been allocated. That is correct. [*Desk thumping*] For that, we say, “thank you”.

With respect to the eradication of mosquitoes, \$500,000 was asked for and there is a shortfall of \$500,000. I have not made a mistake with this figure. We do not know if there is a special provision under the Ministry of Health to deal with the Tobago situation in respect of the eradication of mosquitoes. I believe somebody would let us know, but at the moment there is no allocation for the eradication of the mosquitoes, that is, whatever system is going to be put in place with respect to dengue fever and so forth.

Finally, I see that a token sum has been given for the Performing Arts Centre for Tobago. The sum of \$10 million for design and so forth, had been requested and \$500,000 was given. I am not even sure that it would complete the design but, at least, this is a step forward, and I thank the Minister of Finance for that.

I would like to reiterate that Tobago is not a pawn in anybody’s game and I would hate to think that Tobago is regarded as such. I am not accusing anyone of regarding Tobago in that light, but events like these would indicate that there is some sort of situation that Tobago is not getting a fair deal. I must say that especially in the development programme, first it was \$80 million now it would be \$12 million. I do not know if this applies to any other ministry, but I do believe that it should be taken into consideration.

Yes, the Tobago House of Assembly was wrong to spend moneys it did not have but, at the same time, if it did not spend then it would not have had anything to show for its tenure in office for the year. I would expect that some sort of consultation would take place between the Minister of Finance and the Tobago House of Assembly including the minority leader—the total assembly—so that Tobagonians can feel comfortable; they can feel safe and they would be able to feel that, in fact, this Government does care for Tobago and is willing to do almost everything in its power to ensure that Tobago gets a fair deal.

Mr. President, I thank you.

Sen. Rev. Daniel Teelucksingh: Mr. President, Government’s budgetary statement for the year before us reveals that the Government’s honeymoon is certainly extended. This Government is fortunate in terms of available resources and any government that has money would look good but it would look better yet with wise and prudent management of that money. I most respectfully, warn

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Government officials, Members of Parliament, party supporters and state servants, to stay clear of any form of corruption that is so frequent when Government has much money at its disposal. Mr. President, there must be integrity in office and transparency in personal and public life. As a government, there is one principal ingredient for governance at its disposal and that is money, the dynamo that drives the nation's programmes. Look at how you contentedly smile saying, and I would smile with you. There are budget savings over the past two years of over \$1.2 billion. The nation's balance of payments is expected to record a surplus of US \$224 million by year end. Our gross foreign reserves totalled \$400 million more than that of 1995, and our gross reserves amounted to over US \$1 billion.

3.30 p.m.

Mr. President, furthermore, we met our domestic and external debt obligations, our international credit rating is among the best in the Third World bloc and we expect billions of dollars in foreign investment in the next few years. I agree with Sen. St. Cyr's wise counsel and I want to add that Government had it good because the nation is going through or stepping into favourable economic times. Government's ship is experiencing fair weather. I want to advise that we make wise and good use of this.

Mr. President, good management is the key for the next few years, not for Government but for the nation. I advise, do not squander the nation's wealth; do not squander the revenues and the benefits of our natural gas and oil which we receive. I warn you to beware of wild, careless, carefree and irresponsible spending that has characterized the stewardship of so many governments. This is no time for a spending spree and we must continue to strengthen our savings base while concentrating on providing those basic amenities our people have been waiting and hoping for, for decades.

Mr. President, what do we expect? How do I understand the budget statement? This debate may prove to be the longest and I hope the most serious of our parliamentary exercises for this year. I see it as an opportunity for Government to review the past year and indicate the direction it will take in the new year. The budget is not—this is how I see it—a document of a single Minister or his ministry. It is a Cabinet paper, a Government paper. With such surpluses—and this is my understanding of the budget—that caused the smiles over the last few weeks; with a seemingly healthy economy; with a charged-up private sector; with a tolerant, hard-working, hopeful population, I think the budget statement is much ado about nothing.

Mr. President, when one considers the myriad problems of 1997 and the boundless possibilities of 1998, the amount of money there is and the feelings of the people, this is important; this is where I am coming from. This budget has a base and a foundation, it is a good start this Government has received and is receiving and so little is said about matters that concern the population.

Mr. President, I draw your attention to the health sector as an example. You talk about prudent management, listen to this. Public health care has been a national embarrassment this year. We are ending the year with the poorest hospital facilities, not forgetting the doctors' grouses. So much for prudent management! We are ending this year with a dreaded mosquito disease, a rat disease, a bat disease and a bed disease—AIDS. Government spent an estimated \$618 million on health in 1997. We had money to burn and to spend. The budget is saying that the Government is going to increase that because we have the money to increase it; we are going to spend it—\$679 million for health in 1998.

My concern is, where is the plan to make things better? We have the money. What is new in the new year? January is around the corner. The budget is not about June when there is a mid-year budget; it is not about next year December when there is a review; this budget is for this nation in the next few days. That is how I see it, so what is new about health then?

Please advise a waiting population of your determined efforts that can be expected in health in January 1998. Tell this nation in this budget, in all these days and nights that we have to spend here, that in January 1998, we as a Government have this money; that there will be a national *Aedes Aegypti* eradication programme. Tell the nation that all the health inspectors in this country will be mobilized; all the Unemployment Relief Programme workers, with \$158 million poured into that programme in this closing year and all the Civilian Conservation Corps boys and girls who are cleaning drains will be put in that project in January. Bring the spray units of the Insect Vector Control Department, tell us that you want to get every school and community together so that this nation would be free in January from the *Aedes Aegypti* mosquito. Dengue 3 is in Belize and we cannot even deal with dengue 1. Do you think we can handle dengue 3?

Mr. President, this budget statement is not a mere allocation of funds. I am glad the hon. Minister corrected me a few weeks ago when I spoke about him signing cheques to ministries. The Minister is not signing cheques to ministries. Do you know what we are doing here this afternoon and these few days? This Parliament is signing cheques to all these ministries. This budget statement is not a

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mere allocation of funds because I could do it, that is an easy exercise to say we have so much money in the Consolidated Fund, you take this, you take that. Anybody could do that.

The real question in this budgetary exercise is to make that money work for the people of Trinidad and Tobago. That is the crux of a budget. It is not taking figures, juggling and moving them. What is important is how this money works for the nation. Tell us how you are going to make it work. You have the technical expertise so advise us. My thesis is, as a Government, you do not have to scramble in the dark, you do not have to bother about the resources; you almost have it made. Let us get our priorities right and get the job done. That is important in any budget.

Mr. President, it is very commendable that the hon. Minister of Finance made, at least, passing reference to the increase in lifestyle diseases in Trinidad and Tobago and cited as one example, AIDS as well as another. One of my colleagues spoke about the other one—smoking. Listen to this about the great debate with regard to the programme for January with all those millions. The hon. Minister of Health elaborated in grand style with his proposal to make condoms more readily available to the population as one of the measures of reducing the spread of this dreadful disease. I ask the question: Is the new morality and the new wave of sexual permissiveness being encouraged with a most dreadful disease? We have before us, a tendency of men and women to prostitute themselves and defy the very sanctity of the body. Look who jumps on the bandwagon, the Supermarkets Association.

Mr. President, do you remember the Supermarkets Association putting pressure on the Government? I do not know if there are persons there who assisted the Government at the time of elections. I do not know if there are people who feel that payback time is not one month but five years. I am wondering about that kind of blackmail. Do you remember the time when they said, “Listen, we will love to sell alcohol on Sundays, we want to sell alcohol on Eid, Divali, Christmas and other public holidays”? They got through and now they are relentless in their struggle with the pharmacies for the right to sell over-the-counter drugs. Now they are telling the Minister of Health to put it on the road as Iwer George and we will sell condoms in our supermarkets, groceries, parlours and vending machines outside supermarkets when we are closed.

Mr. President, do you know what is the long shot? Of course it is profits and more profits, and forget the people. It is the mentality one must look at which will

say that nothing is wrong if these condom vending machines are also put in the corridors of our high schools, colleges and on the taxi stands. That is the next move. "We will supply it, all over the place, maxis too. You put it, we will do it for you." Mr. President, we must be a sick society to find this as one of the first solutions to a lifestyle problem and we must critically examine the lifestyle of our people since the nation's moral and spiritual health is under siege.

I remember the question of casinos surfaced during the last budget debate, to make the nation's tourist playground more attractive. It seems as though it comes in small doses. Another test is before us as to how we cater for a people who are losing their moral conscience when one aspect of human sexuality is cheapened and exploited.

Mr. President, I wish I could speak on so many other little issues in the budget but I will just pick out a few again. I want to make a comment on the question of pensions which occupied a lot of space in the Minister's presentation. I just want to say, very briefly, that Government must consider the plight of faithful public servants, now senior citizens, who gave the best of their lives in national development, retired maybe 15 or 20 years ago and whose pensions are almost static in the face of inflation over the years. Their only crime seems to be longevity. I also want to ask the Government to consider what of taxation levied on pensions of today's retirees—your teachers, your nurses, police officers, all such public servants who gave not 33 1/3 years alone. I know of a teacher who served the classrooms of this country for 44 years who is now retiring.

These public servants have given the best of their lives and are now retiring at age 55 or 60 and receiving about two-thirds of their salary as pension. Furthermore, we have to understand this, in spite of all the advances in medicine, anywhere about 55-plus is a very vulnerable age in terms of illnesses; that is the time the organs are almost tired. Things happen to us and I think it is an act of ingratitude for these public servants who have given so much of themselves and their lives, that their pensions should be taxed. I suggest that this Government needs to consider, very seriously, removing any taxes on pensions of all citizens over the age of 60. [*Desk thumping*]

Mr. President, allow me to make another brief comment. We need to talk; we cannot forget this one—the proposed new minimum wage of \$7 an hour. This is one of the finest contributions made by this Government to the history of labour in this country. It is a bold venture in protecting the nation's labour force, particularly those at the lower levels. Certainly, it would take employers some time to adjust but soon we would learn to live with that.

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Mr. President, I noticed the Minister, under the question of culture, made reference to a national cultural policy. I ask the Government to please formulate quickly that proposed national cultural policy. Maybe this is why the Haitian rap singer who thought he was bringing the best of his culture to Trinidad and Tobago went on our stage and got away using obscene language in Port of Spain in front of so many of our impressionable young people who are groomed to accept that these artistes are stars and role models.

A few days ago, during this advent season, one of the Jamaican dancehall celebrities sang here and cursed our police in song on a public stage. Our young people were there. Maybe in Jamaica, Babylon is a bad word and the police are the enemy, but our police in Trinidad and Tobago have suffered enough indignities. I think we have enough cursing in Trinidad and Tobago, and if that is included in West Indian cultural treasures, we are very poor, indeed, for cultural exchange. In the future, I suggest that permits ought not to be renewed for any such performers in Trinidad and Tobago.

Mr. President, I want to share a brief word on another concern in the budget. It is not surprising that so much attention was given to Government's policy shift with respect to URP. In 1997, over \$158 million was allocated to URP, and yet on Christmas Day just a few days ago, a worker picketed the Financial Complex and complained to the whole country. Today, they were outside, so many of them. And there has been no end to the complaints and criticisms of this programme over the years. This answers my question about prudent management. What management? I am not talking about this Government only. Since this programme was instituted, something was wrong with the management, and we poured millions of dollars into it. Just a few years ago, it was \$130 million in the URP. This year it is \$158 million. What prudent management? What is so great about the management?

Mr. President, there have been perennial queries of pay sheet discrepancies, identity cards, double rostering for jobs, favouritism, not to mention gender, race and party discrimination. The intention of the URP has always been good as a social relief programme, but it has been blighted by party rivalries. The two major parties in this country—the PNM and the UNC—have messed up the URP because of their narrowness. The party rivalries have spilled over into that, and poor taxpayers who contribute to that \$158 million, which is like an unemployment relief, have been messed up by the parties responsible for the disbursement of the funds, and they continue to do that.

The intention is good. This is not a government programme. This is taxpayer's money! It is another form of the unemployment relief, and all of us contribute to that. Every party in power believes that it is their domain and those are gifts they must give out. This has plagued that programme. I am hoping that if one has introduced something new, that new thing introduced to decentralize the URP will further depoliticize the URP. That is very important. This might just be the cleansing that URP needs; not a shift from the place and the kind of management. The cleansing of the URP is really the depoliticizing of the URP. That is what this programme needs.

Mr. President, I draw your attention to one of the most significant matters referred to in the budget statement. That is the growing incidence of single mothers, whom the hon. Minister described as more vulnerable than any other group in this society. I share the sentiments of my colleague, Sen. St. Cyr. We know that some of these single mothers are teenagers, many are school dropouts—we know the story. Several come from poor families. We know them. Here is a terribly complex and frightening social problem that needs careful and prayerful attention. I am pleased that the Government has introduced the subject in the allocation of \$25 million to prepare single mothers for job readiness, thus enabling them to escape the poverty trap.

The phenomenon of single-parent families again raises the question of the lifestyle of certain citizens in this country, and we are paying dearly for that. This \$25 million is a joke! They have introduced their concern with \$25 million. At the rate we are going it will have to be increased next year. When one considers the storms that follow because of single parenting, the future will be most challenging for us as a community and society. What we are asking really is, how do we cope with the increasing number of juveniles who crowd the prisons, several of whom come from single-parent homes or broken homes? The street children, most of whom are the product of families like these.

It is incumbent on us to send a message to the young people and adults of this nation that single parenting is not a virtue. Single parenting is not a virtue! It is a message that we want our nation to know. In fact, single parenting in this land is indicative of a more serious social problem—the breakdown of family as one of the most cherished institutions of this nation. That is what it means.

We must, of necessity, speak not of single mothers only, but the tragedy of fatherless homes. That is important. The tragedy of fatherless homes. We need to put the spotlight on the irresponsible father in Trinidad and Tobago. That male

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person in our society who prefers to be promiscuous. He sows his wild oats and leaves the society the burden of tending that garden: finding schools, health care and jobs for them.

Mr. President, I want to share with you some lines from a sociologist from Rutgers University. He made an analysis of the American problem. When I read this, I thought it was about Trinidad, not about America. I quote:

“The decline of fatherhood in the United States is one of the most unexpected and extraordinary trends of our time. In just three decades, 1960 to 1990, the number of children living apart from their biological fathers nearly doubled.

By the turn of this century, almost 50 per cent of North American children may be going to sleep each evening without being able to say good night to their dads.”

We are talking about Port of Spain!

“There was a time in the past when fatherlessness was far more common than it is today, but death was to blame, not divorce, desertion or out-of-wedlock births..”

“Most of today's fatherless children have fathers who are perfectly capable of shouldering the responsibility of fatherhood. Who would have ever thought that so many of them would choose to relinquish those responsibilities?

A surprising suggestion emerging from recent social science research is that it is decidedly worse for a child to lose a father in the modern voluntary way than through death. The children of divorce and never married mothers are less successful by almost every measure than the children of widowed mothers.”

Listen to this one:

“Men are not biologically attuned to being committed fathers. Left culturally unregulated, men's sexual behaviour can be promiscuous, their paternity casual, and their commitment to families weak. In recognition of this, cultures have used sanctions to bind men to their children, and of course the institution of marriage has been culture's chief vehicle.

There is no doubt that many women get along very well without men in their lives, and that having the wrong men in their lives can be disastrous, but just as it seems to play a role in assaults on children, fatherlessness appears to be a factor in generating more violence against women.”

I would not be long with this, but it so important for Trinidad and Tobago to hear this. He continues:

“In order to reinstate fathers in the lives of their children, we must undo the cultural shift of the last few decades.”

I want to put in Trinidad and Tobago right here.

“We must undo the cultural shift of the last few decades towards radical individualism. Marriage must be re-established as a strong social institution in this land.

Many practical steps can be taken. Employers, for example, can provide generous parental leave, and experiment with more flexible work hours. Religious leaders can reclaim moral ground from the culture of divorce and non-marriage by resisting the temptation to equate committed relationships...”

In Trinidad we say common-law relationships.

“with marriage. Marriage counsellors can begin with a bias for marriage, stressing the needs of the family at least as much as the needs of the client.”

4.00 p.m.

“As for the entertainment industry, pressure already has been brought to curtail the glamorization of unwed motherhood, marital infidelity and sexual promiscuity. If we are to progress towards a more just and humane society, we must reverse the tide that is pulling fathers away from their families. Nothing is more important for our children or for our future as a society.”

Mr. President: Senator, would you identify the title, date, name of sociologist.

Sen. Rev. D. Teelucksingh: Thank you very much, Mr. President. You will find this article in the *Reader's Digest* of November, 1997 (Canadian Version). It is written by David Pucknow, Professor of Sociology at Rutgers University, New Brunswick. The title of the article is “Life without father”. I read this into the record because it is about this issue that the Government has asked us to consider a very serious social problem in this country. It is extremely important. It is not the religious question. It is an economic question. It is a social problem and we need to look at it.

I choose to shorten what I have to say and I will just close by making one comment in response to the hon. Minister of Energy and Energy Industries by

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reminding him that the CNG users—of whom he made mention—in Trinidad and Tobago have been among the greatest sufferers in the motoring public this year. You pass and see those poor taxi drivers in long lines because of faulty fueling units. You pass and see them. They have suffered. I do not think I was too pleased when he quoted September, 1998. They have suffered for an entire year and Government did very little or nothing to help the taxi drivers. They have really suffered. I just passed and saw them and wondered why we could not build more stations. I even asked if those lousy pumps that whoever installed were second-hand pumps that we bought for less than nothing from somebody, knowing of the foreign used kind of mentality. Those pumps are terrible.

I am very happy though that the Minister has made a promise that things are going to be better for CNG users because his colleague, the hon. Minister of Finance, did make reference. This is the second time now in two budget statements that he talked about his environmentally friendly fuel and we have not prepared our people for the use of it.

Mr. President, I close by wishing you, all of our colleagues and our nation a very prosperous new year with a prayer that peace, harmony and goodwill will characterize our relationships among ourselves; that our social life will be blessed with this peace, harmony and goodwill in the course of the year. If this is so, all things will be added to us as a people.

I thank you very much.

Sen. Carol Cuffy-Dowlat: Mr. President, I must thank this honourable Senate for the opportunity to speak on the Appropriation Bill, 1998, which is more commonly referred to as the Budget. I must also take this opportunity and the pleasure to compliment the hon. Minister of Finance for a clearly articulated and well-thought-out budget which shows and illustrates the vision of our Government and our desire to address the problem of poverty alleviation and the provision of opportunity for all. Thank you, Mr. Minister of Finance.

Mr. President, before I begin to elucidate the plans, policies and programmes of the Ministry of Housing and Settlements, I think I must spend a couple moments addressing some issues raised by Senators on the other side. It is quite unfortunate that Sen. Montano is not in the Senate at this moment—and as I speak he arrives in this honourable Chamber. The Senator missed an opportunity to hear a clear, lucid, transparent and educational treatise on Government's vision for development by the hon. Minister of Planning and Development.

When the hon. Senator spoke, he seemed to accuse this Government, this administration, of not having a vision for development. If he had spent some time in this honourable Senate today—I hope he will avail himself of the *Hansard* and learn of the plans, and vision of this Government. I am not certain that the Senator himself understood what he was saying, because, less than 10 minutes later into his own contribution, he attempted to accuse the Minister of Housing and Settlements of having skewed vision when he spoke of the plan and vision for an island in the Gulf and for the reclamation of the land on the Beetham. I am certain that the hon. Senator would now spend some time to examine the vision of this Government for the development of Trinidad and Tobago.

The hon. Senator also seemed to want to accuse the hon. Minister of Works and Transport of ignoring him. I know the hon. Minister can defend himself. However, I think that the hon. Senator seemed to have forgotten that when his party was in Government they seemed to have ignored existence of the island and the people of Tobago and more than half the people of Trinidad and Tobago.

I note again the absence of Sen. Alfred, but I will let her know—I am certain I can speak for Senators on this side when I say that if there is any doubt about her presence on that side, we on this side will be willing to welcome her. So Sen. Alfred, please feel free to come on this side, all in the interest of national unity and the development of the country.

I also assure Sen. Teelucksingh that the economic resurgence which this country is experiencing is no accident. It has come about through a well-planned, thought-out and well-executed strategy in all sectors of the economy: agriculture, hydrocarbon, manufacturing, tourism. This has been complemented by the wise and prudent management of the Panday Administration. [*Desk thumping*]

Mr. President, I must also spend a second or two to assure the hon. Senator that there is no corruption on this side. If there is any evidence of it, I will summarise the hon. Prime Minister when he said, “If there is corruption, and there is evidence of it, I will deal with it and I will let the chips fall where they may”. I assure the hon. Senator that if there is any evidence, please forward it to the hon. Prime Minister.

I also draw to the attention of this honourable Senate that while we as a people and a country must deal with social, religious and moral education in our society, we must be very careful that when there is a real problem confronting society and threatening its very fabric, we resist the temptation to cloud the issue using morality as an excuse. This is all I have to say on that issue.

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Mr. President, this budget represents our Government's continuing initiatives to redress existing social and socio-economic imbalances and to propel the country towards achieving self-sustained growth. The Panday Administration, a phrase coined by the hon. Minister of Finance, in keeping with our promise to the citizens of Trinidad and Tobago, has focussed on the alleviation of poverty and opportunity for all. The Ministry of Housing and Settlements has embarked on a number of projects which will offer tangible opportunities to our citizens to participate in this development process.

Shelter is a fundamental human right. The world, through Habitat II, accepted this resolution and the Constitution of Trinidad and Tobago requires Government to so recognize. Mr. President, it is important that I give some backdrop information, not only to assist in the education process but, more importantly, to impress upon my colleagues, my contemporaries, the need to support the measures as contained in this budget of 1998, because it actually relates to the alleviation of poverty and homelessness and in the creation of equal opportunity for all. Adequate shelter for all is an essential component of this process.

It is estimated that between 1990 and 2025, the world's urban population is expected to be a little more than five billion people. Almost all of this growth, a staggering 90 per cent, will occur in developing countries. In this scenario, Latin America and the Caribbean constitute the most urbanized region with more than 70 per cent of population living in urban areas. The problem of poor housing and homelessness is global and it is getting worse, particularly in developing countries. This is because of the unabated rural-urban migration, as well as through the gradual transformation of rural areas into urban areas.

Currently, the world's urban population is growing 2.5 times faster than the rural population. The United Nations Centre for Human Settlements (UNCHS) estimated that in 1995 over one billion people worldwide were living in inadequate housing, and that the world's homeless population totalled over 100 million persons. The World Bank estimates (1980) indicated that by the end of the 1990s, 90 per cent of the absolute poor in Latin America and the Caribbean will be living in cities, thus resulting in serious environmental problems associated with disease conditions, falling life expectancy, not to mention the threat of epidemics, crime and social unrest. This is a global problem, but we in Trinidad and Tobago and the Ministry of Housing and Settlements have adopted a dynamic proactive approach to redressing this serious shelter imbalance.

Initially, the housing programme of the Ministry of Housing and Settlements comprised the following elements: sites and services, squatter regularization, housing construction and community facilities. However, we have noted that in spite of these programmes, problems continue to confront both urban and rural areas and the people who live there, as the demand for housing continues to outstrip supply. The demand for housing was estimated over the period 1995—2005 to be 155,000 units with the low income group requiring 48,000 units or 4,800 units per annum.

Mr. President, the solution to our housing problem requires constant reappraisal. It is in this respect our Government recognized that in addition to the right to shelter being a fundamental human right, it was imperative for us to establish viable settlements, to develop, distribute, and make land available at affordable prices to persons to build their houses. This required the opening up of the country in a responsible and in an environmentally conscious manner, together with appropriate legislation to deal with squatters. Of equal, if not of more importance, Government recognized the need to facilitate the provision of loans at special rates of interest for low income and no fixed income persons.

In 1996, a series of measures were initiated by the Ministry of Housing and Settlements to prepare a framework for delivery of relevant programmes and projects to actualize the vision of the Government. These included the establishment of an interim National Physical Planning Commission. The terms of reference of this commission as they impact on the Ministry of Housing and Settlements include the preparation of a comprehensive and integrated physical plan for Trinidad and Tobago; the development of codes for appropriate building construction and development standards and practices and a monitoring rule to ensure that all persons and agencies concerned adhere to both the requirements of the national plan and the codes of standards and practices.

4.15 p.m.

The programme also included the drafting of legislation for the regularization of squatters. In 1996 this Bill was first drafted. It was refined in 1997 to ensure that the greatest good, in fact, redounds to the greatest number of citizens of Trinidad and Tobago. This Bill is expected to grant security of tenure to certain squatters and tenants who occupy designated areas upon state lands and to establish a land settlement division with the responsibility for administering and carrying out the provisions contained in the proposed legislation. This

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Government, in its continuing drive of responsible and responsive governance will demarcate land settlement areas to enable suitable areas of state lands to be set aside for residential uses and matters associated therewith.

Mr. President, the Ministry also saw the development of a land bank unit within the ambit to identify all lands of the state which can be used for land settlement development. This unit is to assist in the implementation of the land administration and distribution policy. It was established with a mandate to develop a Geographic Information System (GIS) as a tool for national development. This GIS involved digitising all state lands on the 198 ward sheets of Trinidad and Tobago. The system includes preparation of a data base of all state lands, compilation of data on titles and physical nature of lands and analysis. This land bank is working in concert with the Lands and Surveys Division of the Ministry of Agriculture, Land and Marine Resources towards achieving our specific objectives.

The Ministry of Housing and Settlements also saw the need for the identification of growth poles in the country for holistic settlement development. This Government recognising the need to establish viable settlements while simultaneously developing and making lands available throughout the country, has adopted this development strategy. This strategy addresses allocation problems by developing and expanding key areas in order to promote and accommodate growth. It is envisaged that once developed, cities and towns would be an engine of growth and an incubator of creativity, industry and commerce, facilitating the evolution of knowledge, culture, tradition and self-sustainable communities.

Earlier this year 13 potential growth pole areas were identified in Trinidad and Tobago and work is progressing apace to develop them in phases beginning with Princes Town, San Fernando, Couva/Point Lisas, Port of Spain and Tobago. Further, Government agreed to the utilization of the Urban Development Corporation of Trinidad and Tobago (UDeCOTT) to undertake the designs and preparation of master plans for these growth poles.

Mr. President, in 1997 the Ministry of Housing and Settlements also undertook a critical review of its philosophy, policy, plans, programmes, projects, administrative structure and human and financial resource capabilities and availabilities and has prepared a strategic plan. The plan presents a unified, comprehensive and integrated management approach that relates the strategies of the Ministry to the challenges of the time and the environment. It charts a course to take us to the year 2000 and beyond. The underlying mission of this strategic plan is to facilitate a holistic approach to the development of the country and its

people towards viable sustainable settlement with acceptable and affordable shelter for all. In implementing the strategic plan the Ministry has as its agencies, the Project Execution Unit, the Sugar Industry Labour Welfare Committee and the National Housing Authority.

I seek your leave to boast a little as I mention the achievements of the Ministry of Housing and Settlements for the year 1997. I begin by indicating as recorded in the *Public Sector Investment Programme 1998*: "implementation of the housing and settlements investment programme was one of the superior performances for 1997" among Ministries.

The Ministry of Housing and Settlements and its agencies have completed and, in some cases, delivered a total of 568 housing units at the following sites. Under the Project Execution Unit, 432 houses of various designs were completed at Bon Air West, Harmony Hall, Couva North Phase III, Malabar Phase IV, La Paille and Debe Phase II, and 1,127 houses are presently under construction.

The National Housing Authority has completed the construction of 96 apartments at Ramdial Mahabir Phases I and II and construction of 112 apartments at Almond Drive, Morvant is continuing. Additionally, joint venture projects are being pursued at Couva North Phase IV, El Dorado, Aranguez, Bien Venue and Valencia, a total of 771 housing units. The Sugar Industry Labour Welfare Committee assisted in the completion of 40 houses.

In addition to housing construction, work is simultaneously continuing apace on several sites to make them fully serviceable for the construction of houses. In 1997 the Ministry of Housing and Settlements continued to increase the supply of fully serviced building lots to low income beneficiaries. The Sugar Industry Labour Welfare Committee undertook work with respect to Brothers Garth Housing Development, Bien Venue and Orange Field. The Project Execution Unit undertook work with respect to La Paille, Buen Intento, Union Hall, Caroni Village, Couva North Phase III. The National Housing Authority undertook work with respect to Edinburgh 500, Maloney, Charlieville, Tarouba, Malabar, Bon Air and La Horquetta.

This Government remains committed to improving the living conditions of low and fixed income persons living in squatter settlements. To this end, all our agencies, in addition to their provisions of sites and services and the construction of new houses, are also engaged in the regularization of squatters. Accordingly,

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the Sugar Industry Labour Welfare Committee undertook work towards the regularization of 65 squatter families at Tarouba, Golconda and Union Hall. The Project Execution Unit undertook work to upgrade the physical infrastructure at Blitz Village in Pleasantville; Zone Eight Arima; Warden Road, Point Fortin; Embacadere in San Fernando; Maturita Triangle in Arima; Bamboo Settlement in Curepe; Upper Leon Street in Laventille and Bagatelle in Diego Martin.

The National Housing Authority undertook the regularization of 3,689 squatter families and the upgrading of the physical infrastructure on 16 sites throughout the country in diverse areas such as River Estate in Diego Martin, Alexis Street in Morvant, Bon Air and Five Rivers, Arouca; KP Lands, Valencia; Graham Trace, Sangre Grande; one project in central Trinidad namely Lawrence Wong Road, Longdenville and Tarouba in the constituency of the Leader of the Opposition. For clarity, that distinct title belongs to the hon. Patrick Manning. As part of the holistic development of settlements, community facilities are to be built on sites with more than 400 lots. These multi-purpose centres will cater for social, cultural and economic activities.

The National Housing Authority has a housing stock of approximately 5,470 units. These units are between six and 50 years old. In fact, approximately 1,834 or 35 per cent of these units are over 25 years old. Due to their age and lack of proper maintenance a number of them are in urgent need of refurbishment and structural repairs. The maintenance of these housing estates require refurbishment of roofs, electrical rehabilitation and general rehabilitation and emergency works and general maintenance.

During the period January to October 1997 the National Housing Authority undertook the refurbishment of roofs at Maloney and Paradise Heights in Morvant, the overhauling of electrical installation of apartments at East Port of Spain and the refurbishment of area offices at Couva, Beetham Estate, Morvant and Maloney.

I now draw to the attention of the national community and this honourable House the following data. During the period 1993—1997 the cost of maintenance work on these housing estates amounted to \$102.1 million while the revenue collected via rents for the same period was \$32.8 million. In other words, it cost

on an average \$3,428.19 to maintain one apartment per annum, while Government collected on an average \$1,125.60 in rent per apartment per annum.

While we recognize that shelter would always require some subsidy, a responsible government must consider ways and means of bridging the gap between revenue and expenditure to ensure that settlements become viable. In this regard, a review of the rental policy with respect to the National Housing Authority's housing estates is to be done in 1998 and recommendations made for their future use in a more just and equitable manner.

Imagine in this day and age rental of some one, two and three bedroom units in the heart of Port of Spain and San Fernando— approximately 1,100 in Port of Spain and 550 units in San Fernando—is still TT \$9, \$12 and \$15 per month and arrears continue to accumulate on some of these units. The assumption here must be that the heirs and descendants of the tenants will continue to receive the same questionable benefits and freeness.

Additionally, land and building taxes and water rates are being paid by the National Housing Authority and the taxpayers of this country for these apartment units. Maybe, the intention of the PNM was to maintain the dependency syndrome and attempt to keep people in perpetual poverty. Even the rental legal documents are drawn up to allow for succession in title. Mr. President, perpetual poverty. The heirs and descendants of these people will never be given an opportunity to own a piece of land or their own homes. Never will they be able to have the opportunity to plant their own kitchen gardens or to grow their own flower gardens. What we have seen here is poverty of the mind. Educational and developmental poverty. Blame for this must fall solely and squarely on the shoulders of the People's National Movement.

Mr. President, this honourable Senate might be aware that since 1978 East Port of Spain, which includes Morvant and Laventille, has been identified as one of the most depressed areas in the country requiring urgent, severe measures to correct the economic and social malaise that characterizes this urban area as constraining topography, poor access and circulation squatting, over-crowding and deficient social infrastructure are most notable. This Government, the Panday Administration, through the National Housing Authority, has initiated discussion for the Picton Hill Redevelopment Pilot Project aimed at improving the living conditions of the community by providing decent, affordable housing.

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Mr. President, can I seek your indulgence to share the vision of the hon. Minister of Housing and Settlements with this honourable Senate when he made his 1977 budget contribution on December, 18?

Mr. President: We will break for tea at this stage and resume at 5.00 p.m.

4.29 p.m.: *Sitting suspended.*

5.03 p.m.: *Sitting resumed.*

Sen. C. Dowlat: Mr. President, just at the tea break I was about to share with this honourable Senate the plan and design for the redevelopment of East Port of Spain.

The design approach for East Port of Spain is based on assuming that there is a spirit of community which exists in that area. We expect to provide a vastly improved standard of shelter on the basis of the condominium principle so that one can have a higher density where each family will enjoy the exclusivity of a unit and where the buildings will be constructed in a virtual park atmosphere. Green space is to be used for the enjoyment of the residents and the ownership will be in a collective components condominium.

We are hoping to design into that community not only the residential components but a cottage industry component, a component for social and cultural activities, an area where they can have small shops and industries initially aimed at the requirements of the very poor. We would hope to settle in there small factories to produce door frames and doors, window frames and windows, cupboards and wrought iron; the requirements which cost so much in completing a person's house. We hope that this community will be able to produce these component parts themselves. In that way they will invest sweat equity and therefore their borrowings will be less. In the long term they will have to put less of their incomes towards the provision of shelter for their families and more towards improving their living standards. If that pilot project works, we believe we will have a formula for upgrading the living standards of the poor areas of the urban population.

Mr. President, development of this site would, however, require the temporary displacement of some of the existing residents. A recent survey of the area revealed that there were 402 households with a population of 1,815 persons living in the area. Some relocation will have to take place. I can assure you, Mr. President, and this honourable Senate that this will be done in a humane, just and equitable manner after consultation and with the full co-operation of the residents of the area.

I am quite certain that Prof. Ramchand, among other Members of this honourable Senate, will be pleased with the next initiative of the Ministry of Housing and settlements. As part of our holistic approach to human settlements, the artistic community will be pleased to know that Cabinet agreed in principle to the establishment of a settlement for the creative and performing arts and artistes in Trinidad and Tobago at the Orange Grove estate, including the area on which the Orange Grove sugar factory now stands. Mr. President, ongoing discussions are being held with the relevant ministries including the Ministry of Community Development, Culture and Women's Affairs in determining the scope and forum of the cultural aspect of the project. A study will be undertaken in 1998 to establish the feasibility of this national project.

Trinidad and Tobago and the Ministry of Housing and Settlements are also proactive in advancing the cause of the underprivileged and dispossessed in the field of human settlements at the global and regional levels. Trinidad and Tobago participated in the second United Nations Conference on Human Settlements, Habitat II in Istanbul, Turkey. Apart from its contribution as part of the Latin American and Caribbean region in the formulation of the Habitat agenda, the Istanbul declaration and the plan of action, the Minister of Housing and Settlements advanced the cause for the recognition of the special needs of small island developing countries given their own peculiarities. Following the Istanbul conference, the Ministry continues to influence the direction and debate on the regional plan of action on human settlements and urban development for Latin America and the Caribbean. Trinidad and Tobago, since Istanbul, has participated in two meetings of Ministers and High Level Authorities for housing and urban Development Sector in Latin America and the Caribbean (MINURVI). One in Jamaica in 1996 and recently in Costa Rica in November, 1997 where Trinidad and Tobago, together with Jamaica have been nominated to the executive committee of MINURVI and where Trinidad and Tobago and Barbados now sit on the drafting and regulations committee of that body. We in the Ministry of housing and Settlements are making our mark nationally, regionally and internationally.

Bilateral arrangements. Mr President, also arising out of the Habitat II conference, the Government of Trinidad and Tobago invited the Government of India to remount its exhibition which was held in Istanbul on best practices on housing and settlements. You will no doubt remember the successful exhibition which was mounted in April this year at three venues in the country: Port of Spain, San Fernando and Scarborough. Alongside this exhibition, several conferences were held with Indian and local experts on a wide range of issues

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affecting the sector. At the moment the Ministry is concretising a programme of action for 1998 and beyond. Closer at home, we have received requests from the Governments of Guyana and Antigua for technical assistance and expertise in formulating and implementing their respective human settlements programme.

Financing shelter. Mr. President, this is an area with cause for much concern. A major problem experienced by Government is the efficient and equitable distribution of our resources. In this respect, an approved mortgage companies programme was launched in 1989 for the purpose of improving access to concessionary shelter construction financing by low and middle income earners. This is expected to increase the effectiveness of the settlements programme. The number of companies participating in the programme declined over the years from 13 in 1989 to three companies in 1994 and 1995, although the number of loans rose from 381 valued at \$50.6 million in 1991 to 2,889 valued at \$460 million in 1996. However, low income applicants in general, and beneficiaries of the settlements programme, in particular, benefited little from this programme. In fact, the allocations to these persons over the period were at a maximum of 14 per cent of the total loan portfolio.

5.10 p.m.

One can therefore conclude that the programme did not effectively address the needs of the low-income applicants for whom it was designed. The Ministry of Housing and Settlements over the past two years has been constantly looking for ways and means of tailoring its existing housing programmes, including the financing mechanism, to make them more relevant and delivery-oriented.

In this respect, Cabinet recently agreed to revamp the problem-fraught approved mortgage companies programme to meet its target audience. In this respect, Government agreed *inter alia*:

1. That the Housing (Amdt.) Regulations 8A of 1994 be amended to allow the provisions contained therein to be extended to encompass loans for the purchase of existing properties and not only newly built houses;
2. That the Housing (Amdt.) Regulations of 1994 be further amended to include a formula (100 per cent minus the prevailing rate of corporation tax) to be used in determining the percentage of the change in the average residential mortgage rate, which should be passed on to borrowers;

3. That the income ceiling of \$6,000 contained in the Letter of Understanding dated March 2, 1989 be removed so as to allow a larger number of prospective home owners to benefit from the programme;
4. That a National Mortgage Indemnity Insurance Scheme be established to provide insurance for the entire mortgage loan with interest payments being amortised over the life of the mortgage in order to make mortgage payments and mortgage insurance more affordable;
5. That the existing four loan categories be consolidated into the following three new categories to coincide with interest rate categories:

| | | |
|---------------------|---|------------------------|
| up to \$150,000 | - | 8 per cent per annum |
| \$150,001—\$200,000 | - | 8.5 per cent per annum |
| \$200,001—\$300,000 | - | 9 per cent per annum; |
6. The Ministry of Housing and Settlements, in conjunction with the Ministry of Finance, will hold discussions with the lenders of participating companies in the approved mortgage companies programme at least twice per year beginning January 1998 in order to keep abreast of events.

Mr. President, to some sections of the population a squatter's house is seen not as an asset, or as an instrument of capital formation. The provision of resource for the housing sector must be viewed within the context of all housing being an asset which contributes to the capital formation in the national economy. The acquisition of a house is a positive instrument of wealth accumulation. Today, when the low and no fixed income segment, especially the squatter, sees his house demolished, it is his wealth that is destroyed. Whenever the squatter shacks are destroyed, his only concrete image of wealth is destroyed.

Statistics have shown that where people have no fixed incomes, no assets, no hope for a future, when these people are provided with a start in life, albeit small, they are committed to the repayment of their loans. For these poor people, the provision of financial assistance with appropriate security of tenure, represents a start and hope for their future and a silver lining to the dark cloud that is their life.

There is also the misconceived impression that investing in the poor represents a subsidy. This notion is a fallacy, for if the poor are not allowed to live in hope and be integrated as citizens of society, then this can result in frustration, anger, despair and eventually social and political chaos.

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To address and redress some of these issues, it is proposed that a revolving sum be placed with the Trinidad and Tobago Mortgage Finance Company Limited and that this sum be used to finance loans starting with zero per cent interest for the first \$10,000 loan and proceeding on a progressive scale to a 2 per cent incremental basis for each additional \$10,000 loan up to a total of \$90,000. Loans negotiated beyond \$90,000 would meet conditions currently prevailing in the open market. Accordingly, a person obtaining a loan for \$20,000, that is, the initial \$10,000 at zero per cent interest rate and the next \$10,000 at 2 per cent rate of interest will be repaying an effective rate of interest at 1 per cent for all additional increments of \$10,000 up to \$90,000.

In addition to the foregoing, Government proposes that the Trinidad and Tobago Mortgage Finance Company Limited would act as administrator for these housing loans granted under this facility. Further, Government would also be developing the appropriate conditionalities for implementing the special mechanism in the housing sector to ensure that these funds are not only aimed at, but reach the specific target group.

Mr. President, this Senate, inclusive of my colleagues sitting on the Opposition Benches, must support the measures contained in the 1998 budget. I know my colleagues and I know that they are interested in the welfare of the people of Trinidad and Tobago and they are interested in doing their part in alleviating poverty, homelessness and helplessness.

I thank you very much for this opportunity to make my contribution to this 1998 budget. I wish you and members of your family and Members of this contribution Senate and their families, a bright and prosperous 1998. I also take this opportunity to wish the Muslim community, a peaceful, holy and spiritual month of fasting as the Holy month of Ramadan is expected to begin on December 30, 1997 subject to the sighting of the new moon in accordance with *Shariah*. [*Desk thumping*]

Sen. Philip Marshall: Thank you, Mr. President, for the opportunity to make this contribution on the Bill to service Trinidad and Tobago in 1998. Let me add my congratulations to those of the Minister who thanked his hard-working public service team for the excellent work they did in preparing these detailed documents. May I, however, suggest that in the future, it would be great if we did not have this debate over the Christmas season.

Mr. President, in Saturday's *Express* dated December 27, under "Our Opinion", they talked about an inadequate budget debate. I make this point from the perspective that there have been varying comments about the presentation of the

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Minister of Finance. Was it the best presentation, or was it the least detailed presentation? I would like to offer a different perspective.

What is a budget? A budget represents the detailed financing of the strategic actions contained in the Government's *Medium Term Policy Framework* and the suggestion has already been made that what we should be doing in both places is, in fact, debating policy as set out in the *Medium Term Policy Framework*. That is what the debate should be. I am even suggesting: Is it possible that we could have such a debate, maybe in September, and then based on the output from that debate, the Minister of Finance and the Cabinet could then make certain fine-tuning recommendations to support their chosen variations in their strategies?

In other words, what the Medium Term Policy Framework is, is basically the mission statement of this Government. It is the statement that says how we are going to transform Trinidad and Tobago at the point of time at which we met it, to the point of time in which we leave it in terms of the next official general election. So what we are really talking about is that this Medium Term Policy Framework represents the strategy of the Government. We should be debating the strategy and what the budget does, is that it finances elements of that strategy from year to year.

I was thinking in terms of preparation for this debate, what if I said to you that as I sat on this side, this is what I heard the Minister of Finance say. He was going through his various appropriations and what he was saying was, for example, to the Ministry of Education, the sum of \$6 billion; to the Ministry of National Security, \$5 billion; to the Ministry of Health, \$4 billion and so forth, and he said, and so to the service of Trinidad and Tobago the total budget is \$45 billion. And I was laughing. But do you know what that \$45 billion represents? The total amount of recurrent expenditure that would be voted in the five-year initial term of office of this Government of Trinidad and Tobago. We would have spent \$45 billion in recurrent expenditure.

So, the significance of the Medium Term Policy Framework is, is this a question of business as usual? Or, are we even with heads of expenditures that are not classified as capital expenditures, but recurrent expenditures, saying that we are going to so change the behaviour of the people in the public sector and in the private sector that we, in our five-year strategic term of office, need to transform Trinidad and Tobago from its dependence on the oil sector to a new diversification towards the non-oil sector, in particular, export of services, export of manufactured goods and other tradeables?

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Remember, when we do congratulate ourselves on the increase in real gross domestic product, because of the significant foreign direct investment, a lot of the growth in our gross domestic product is not owned by nationals. That is not national gross domestic product; it is not national income; it is output that is so measured because the plants and the other investments are located here and this is why we have, naturally, remittances of a significant amount going back overseas to the owners of that capital in the form of interest payments and dividends. So let us be fully aware of what challenges we face.

The objective of my presentation is not to spoil the party. The Minister of Planning and Development talked about the three Es: education, exports, enabling environment. I hope in my contribution to talk about the three Ps: people development; performance and productivity; and policies of sustainability.

This, I understand, to be the overarching vision of the Government of the day. Basically, after the five years, after we spend \$45-plus billion on recurrent expenditure and maybe another \$6-plus billion or more on development expenditure. The vision is what you get, therefore, for your \$52 billion-spend.

At the end of the day, people competencies—a growth in the competencies, knowledge and skills and competitiveness of our labour force. Export-led growth, agricultural transformation, at the social level, reduced poverty levels, better and targeted distribution of subsidies and transfers to those in greatest need. Improved indicators at the social and community level. Naturally, overall national competitiveness in terms of performance measures, gross domestic product, increases per capita in the gross domestic product and a re-engineered role for Government. So that is the basic vision of where we are heading.

What are the drivers of that vision and how do we measure the performance of those drivers? Mr. President, you see, I am trying to propose that too often the citizens of this country, and in this Senate, use the budget and the financial measures as the key aspect of Government's policy. I am saying that is just but one aspect of the financial vision of the Government's plans or achievements.

Far more important, is to understand what are the non-financial measures. How do we measure progress against our Medium Term Policy Framework? How do we understand the change in the way we work, compete and deal with people's social needs, and what are the drivers of our targeted growth? We need to improve our human capital, physical maintenance of plant, and social capital.

5.25 p. m.

Social capital represents the synergy between people in a community, the vision they share and the collective dispensation of services by those state agencies where the community are the recipients. We need to develop social capital, we need worker productivity, technology enablement, we need secure financial and capital markets and we need to vastly increase the savings and investments domestically and externally. And so, those are the drivers of the growth to enable us to achieve our vision. How should one measure it? One should measure the spend of \$52 billion—because that is what we are talking about.

At the end of the day I would like to see the Minister of Finance and Minister of Tourism stand here in the last budget presentation before the next general election and say having spent \$52 billion, this is what we got for it. How do we measure that? We measure that by asking: What has been the impact upon our national competitiveness of our education? Do we have the pervasive use of technology in our schools, businesses and in the public sector? Do we have an efficient and high quality public service? Do we have effective tax regulations and collections? Do we have a health care that is geared towards education and prevention rather than trying to cure chronic ailments and a continuation of the bad habits of people in terms of not looking after themselves? In fact, many people do not realize that half of a person's health care costs is spent in his last three years of life. We are fortunate because we have, I believe, nearly 40 per cent of our population under the age of 24. We have a very small percentage of older persons and a demographic profile that is geared towards a young profile. As our population ages there could be, especially with the plans for health care systems, a burgeoning opposite profile in terms of the ageing profile and be faced with unbelievable and unsustainable health care costs.

Mr. President, the education of our people, from and individual in the smallest rural village to this honourable Senate, has to contribute towards helping our nation by looking after ourselves, especially if one wants to put in other measures of social welfare like pensions. Social welfare indicators are another measurement of our achievement of our Medium Term Policy Framework and having a culture of performance measurement.

I went from the vision to the drivers of growth to how one measures the drivers of growth, and I have brought us back to our current state where we must understand what are the fundamentals. The fundamentals are basically a stable macro-economic framework including human capital and labour market potential; a

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severe financial system, capital market; a certain rate of savings and foreign direct investment; plans for retirement provisions and agricultural transformation. That is the current state, and let me just review with you basically that current state. One should understand that the medium term framework that would take us from our current state through the transition over the next three years to reach our vision and for us all to then hold the Government of the day accountable for the \$52 billion it has spent.

Our macro-economic performance in Trinidad and Tobago, in terms of its fiscal surplus, the percentage of fiscal surplus to GDP, the balance of payments and external current accounts, its international reserves and all those detailed macro-economic statistics, including external debt service, has passed the test with flying colours. At this juncture, regardless of the root cause, Trinidad and Tobago's economic financial performance cannot be questioned. In fact, in an investors guide a few months ago in Latin America, Trinidad and Tobago, from the perspective of foreign investors, was given the 4th highest improved country rating in Latin America which improves its confidence ratings in terms of that of a foreign investor. It is important to understand that when a foreign investor puts down an ammonia or an LNG plant, it is not like portfolios and capital flows like what happened in Mexico, that investors could change their minds and say let me sell my equity and assets. One cannot easily pack up an ammonia plant and put it on a 747 airplane and take it back. There could be no more confident example of an investment that is fixed in the ground. Naturally, that is why they call it fixed direct investment. However, I am not here to spoil the party but my next argument is going to show us the importance of the oil sector as opposed to the non-oil sector.

Very briefly, the GDP per person employed in the oil sector per annum is \$564,000. Do not confuse this with the GDP per capita which is divided by the total population of 1.2 million persons. This is the output from the oil sector divided by the 17,000 persons who directly work in that sector. This gives us a per capita GDP at current prices of \$564,000. In the non-oil sector it falls to one-tenth of that, \$59,000. So one can see, because of the capital intensity of the oil sector, different types of returns. In the non-oil sector a further sectoral breakdown would show that in finance, insurance and real estate in which there are 38,000 people employed, the GDP was \$110,000 per annum. We also had in transport, storage and communication a GDP of \$109,000. Those two subsectors are the leading non-oil sectors. But if one looks at agriculture it is \$16,000 per person, so look at the spectrum; \$16,000 per person per annum at current market prices in the agricultural sector as opposed to \$564,000 in the energy sector. This is why it is so

significant that in terms of our vision, although we would continue hopefully to find the hydrocarbon reserve, we must change our dependency.

I am now going to go through the visible trade statistics which are contained in the *Review of the Economy*, Appendices 23 and 26. Mr. President, in 1996 our current favourable trade balance, meaning our exports exceed our imports in total by approximately TT \$2 billion in total growth. If, however, I were to exclude fuels from that, here are the statistics for trade excluding fuels. In 1996 the deficiency was \$3,029 million in non-oil sector, \$3 billion in the non-oil sector trade. Let me add something to that. That was despite the fact that in our trade with our Caricom neighbours we had a positive trade balance of \$1.4 billion in the non-oil sector. Therefore, Trinidad and Tobago's trade balance deficit with the rest of the world dealing with the non-oil sector in 1996 was, in fact, \$4.5 billion. In the non-oil sector, we imported excluding Caricom, \$4.5 billion more than we exported. Based on the statistics for 1997, I am saying that there is a possibility that trade deficit could grow with the rest of the world outside; could grow from \$4.5 billion to approximately \$7 billion. This may seem strange, but let me give you part of an explanation for that. With balance of payments and with foreign direct investment, the greater the capital inflows in foreign direct investment for your balance of payments to, in fact, balance; you are bound to have a trade deficit. In fact, I believe up to the month of July, Trinidad and Tobago had a fall of about \$2 billion compared to the comparative period in 1996—and it is in the *Review of the Economy*—to about \$1 billion-plus for import of plants and machinery for the energy sector.

5.35 p.m.

In the future, we would see a different picture because of the substantial direct foreign investment. Once there is direct foreign investment which is settled on capital account, the country would experience a visible trade deficit which arises from the import of the plant and equipment. It happened in Mexico when there was substantial deficit on the trade, there was fantastic foreign investment. When the peso collapsed, and there was capital flight, Mexico returned to a trade surplus. I do not know how that will impact on our foreign exchange requirements.

In a nutshell, the macro-economic framework and fiscal policies have been excellent. One has to bear in mind that when we talk about savings rate which is 17 per cent, the government and individuals within the country save. That 17 per cent is the total saving. If the Minister of Finance and Minister of Tourism did not have a fiscal surplus but a fiscal deficit, that would be this saving. The Government also

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saves. It is a very complex relationship to work out. If the Government saves more by having a fiscal surplus, will this mean that less disposable income: that the individual citizen saves less; or if the Government saves less, will the citizens save more? It is not necessarily a one on one relationship.

The challenge facing the Government and the Minister of Finance and Minister of Tourism is the measure between revenue potential and revenue collection. Because of the very significant challenging investment programmes which have to be financed, I feel that the Minister of Finance and Minister of Tourism would be faced with an enormous challenge in increasing and collecting the required revenues. I hope and I interpret his statement of “no new taxes” to mean “many new taxpayers”. There are a number of citizens of integrity in this country who are caught in the PAYE trap, who comply and pay their taxes but there are many who do not. The Government cannot afford to increase the level of taxes; it must therefore widen the tax net. Although we must get no new taxes, we must get more new taxpayers.

This is important because the role of government is just as a father figure in a family. It is about equity, not so much in terms of people having different economic circumstances, but equity of treatment of citizens within a specific class of income tax. Because I am an honest citizen and I would comply, I may ask the question, why should I pay my share of taxes, and other people who should pay do not? If that equity is not enforced by Government, people would rationalize that if others are not paying, why should they pay and what does the government do with the money? We would never reach our objective of lowering the tax rate for all, if we do not encompass everyone and widen the tax net.

This specific function of Inland Revenue is under the Minister’s control. How wide would he spread the net and how would we get new taxpayers in the system? It cannot be done by raising taxes. Here is the basic algorithm. If the tax rate is 100 per cent, the Government would collect nothing, because nobody would declare their income because they would lose everything. If the tax rate is zero per cent the Government would get nothing. Establishing a tax rate is about finding the right balance, where with good compliance and collection, people would be willing to pay that rate of tax and not evade it or be dishonest. Maintaining public expenditures at an appropriate level, having good compliance and collection systems are important, so people would not rationalize and say that the government would waste their money. That is one of the key issues.

In terms of the expenditure estimates which amounted to about \$9 billion for the year on recurrent expenditure, under Head 19, the interest charge on account of the public debt is \$1.6 billion. I believe that we should use activity based costing techniques. That is to say, for what purpose has the money been borrowed? Why is the interest on the respective loan not allocated as recurrent expenditure to the ministry that has borrowed the money? If half of that \$1.6 billion is for education, the interest on that would find itself under the specific head. Is this pure accounting? No. The whole reason for having capital development expenditure is that it must provide to the people of Trinidad and Tobago, however long it takes, a return on investment. That interest charge which we now bear is really the cost of a heightened return in investment or increased productivity from the specific department concerned. If we fail to include those interest costs, we are not really measuring the specific minister or person in charge of the income.

I acknowledge that he might be paying interest on loans from previous governments. I am sure that the reasons for much of the banter which we hear sometimes in this honourable place is because of the fact that policy decisions are so difficult. When money is spent in a specific period of governance, the time and distance between seeing the results is so far removed from when that money was taken. Money spent on education today, may not be seen to be realized in terms of increased national competitiveness until about 20 years from now. Maybe that is why capital expenditure is the first to go.

I was glad to see a copy of the report on Government's new strategy to state-owned enterprises. I am sorry we did not get it before this budget. I have made the point before in the debate dealing with the cane farmers. What does not create value, destroys value. Let that be the mantra of government. If there are loss-making state enterprises, that would rob the government of the ability to fund the physical infrastructure and other areas, we have to be careful. I am not saying that we should sell those state enterprises. It is important that if the decision should ever be made to privatize a state enterprise and dispose of it, it should be done after ensuring that it is functioning as best as it could. Maybe, a year or two would be needed to do the necessary institutional strengthening, so that if it is a foreign investor, he would see the potentiality of the entity. We must not give it away without making the hard management decisions, as it were, and say, "we cannot handle the problem, you buy and do for us what we should have done", and we lose billions of dollars in the process. Even though that philosophy, pre-divestment strengthening, is a correct one, I believe that the role of government should not include the running of any form of state enterprise.

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I know it is a difficult decision because the 36 elected members each has to account to 40,000 citizen who have vastly different economic potentiality. How do we deal, for example, with a WASA or a T&TEC where there may be, intrinsic in our social policy, the ability to charge rates that are not economic, or where collections may be difficult for poorer citizens?

I believe that this is what is done abroad. Those utilities are mandated by law to charge their fair rates, especially where a government utility has been privatized and competes with a totally, privately-owned utility. The regulatory authorities can claim unfair competition if the government-owned utility does not make the required commercial rate of return because it can charge less and be supported by state funds, it can always out-compete a private sector enterprise that has to make profits.

How does it handle the social aspect of things? Poorer citizens are interviewed, means tested and given vouchers to pay for their water or electricity. The principles of universal service are, therefore, met by directly targeting subsidies to those in need as opposed to having a low rate and everybody in the nation is subsidized, regardless of whether they have the income and ability to afford the normal rate. The utility then loses money and we still pay for it in the end. What does not create value destroys value. I hope, therefore, that in its state-owned enterprise philosophy the Government would adopt an approach that would not necessarily be exact, but would mirror some of those basic concepts.

We have to increase national competitiveness. We have to transform our nation from the dependence on oil to look at having export-led growth. I would say that in the manufacturing sector and the export services sector, we and the Government need—and this is Government's main role—to provide the enabling environment for us to compete.

May I read from a document put out by ECLAC a couple years ago. It was dealing with the relevance of developments in investment and capital flows in the Caribbean area. It says:

“Tradeables dynamise our economies. Our manufacturers have been shielded from change and are essentially not producing tradeables. We need to increase tradeable manufactures quickly but also tradeables in other sectors, including services. It is estimated that the joint factor productivity gap between Latin American countries and developed countries is 2.5 to 1. It originates

from outdated equipment and production methods, deficient organization of labour, confrontational industrial relations, quality problems, inadequate marketing techniques and indifferent after sales service. The productive transformation necessary for the manufacturing sectors will require high levels of investment with strong and sustained inflows of technology and market information.”

Mr. President, one thing that our manufacturing sector has achieved is significant productivity, and our labour market in that sector has also supported these gains in productivity. This is why we are able to compete in the Caricom sector. Trinidad and Tobago has managed to keep its inflation rate within an acceptable level so that our goods and services remain competitive. This is so even in countries like Jamaica which has gone through a fall in their purchasing power parity. We have done a very good job in terms of the partnership of entrepreneur and labour in our manufacturing sector.

However, one of the things I did not see in the hon. Minister’s budget—and I think it is time we look at this again—is that many of our manufacturers need to retool. Technological innovation requirements are significant and, in the same way we have had these massive investments in the energy sector, we need to do the same in the manufacturing and services sectors.

This is where the role of the government is so important. I would certainly like to see some additional, not necessarily tax incentives, but certainly some collective sharing of costs, maybe market information and, in the case of services, maybe a wider spread of available networks, technology, communications infrastructure, so that we can have, in the services sector, a wider dispersion and availability of technology, so that our human capital can be used to its fullest potentiality in our competition. I do hope that the Minister of Finance in his winding up will look at the whole issue of the infrastructure and development required for our export-led growth.

Seeing that one of the key issues in terms of our competitiveness will be our costs, I am concerned that maybe there is a lack of clear objectives in looking at the whole issue of our monetary policy, involving interest and exchange rates. We saw recently the reserve requirement being increased by the Central Bank. This would naturally have the effect of raising interest rates to mop up excess liquidity. I believe it will also have the effect of making finance, more costly for start-up, businesses and may make investors a little unsure of what is the long-term strategic objective in terms of monetary policy for domestic investment.

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In a nutshell, this is our problem. Trinidadians are saving their money and putting a large percentage of it in foreign deposit accounts, which is not money available to be lent unless there are foreign streams of income. Trinidadians, except for a few corporations, are not investing in productive sectors creating real jobs as much as they should and we are leaving it up to foreigners to make the foreign direct investment. We have a saving rate or a capital formation of about 16 per cent and the Government has stated that the target is 25 per cent. There is apparently an immutable relationship between economic growth, investment and savings. Even if we have the savings, we do not get the growth just because of it. We must have the investment. We must convince our people that the returns that they can get from investing in Trinidad and Tobago are even better than putting their money in a foreign bank account, even though held locally, and this will also give us the opportunities for employment creation.

5.55 p.m.

To do that, however, Mr. President, requires us to have a well-understood monetary policy and strategy so that when investors invest, they have clear rules that there will be stability in those policies and they must not change when the government of the day changes. It is absolutely critical to have this encouragement. I do know what would be said is if we did not increase our interest rates we cannot protect our exchange rate, because the interest rate differential is important. However, let us look at it another way. If the Central Bank did not intervene when we have an exchange rate crisis—because we have a sort of dirty flow—to protect the TT dollar and we let the TT dollar slip, is it possible that with an attitude to domestic investment, we can, in fact, generate more competitive exports, and we would become a nation where, even though the exchange rate fell because we are into an export mode in the non-oil sector, we will be earning the foreign exchange which is required? Now it is mainly the oil sector and part of the manufacturing sector which are earning the foreign exchange. We have a liberalized economy, we have a propensity for consumption expenditure, apart from the billions of dollars of plant and equipment which have been brought in for the energy sector, we are investing in conspicuous consumption instead of productive investment. That is the challenge which this Government faces. How do we change our culture and mindset?

I move on, briefly, to the Minister of Planning and Development to the three “Es”. How do we become competitive? Only through our people. Education, health and infrastructure are three major drivers of growth and competitiveness.

What are the answers? The principles of effective education are as follows: We must have sustained spending on basic education. It has been proven over and over that the greatest return from education is investment in primary schools and pre-schools, and then secondary schools. The lowest return in investment in education is in tertiary education. I may not be able to remember the figures but it is something like this. The average cost of a primary school student, based on the student population of a few years ago, is approximately \$2,000 per year; secondary school student about \$3,500; and for the university student about \$23,000 to \$25,000 per year. The lowest return on investment is, in fact, tertiary education.

Mr. President, let me explain what I mean. It is not the lowest return in investment from the perspective of the individual who has had the opportunity, because education drives one's greater earning capacity, I am talking from the perspective of a national development philosophy. I am looking at this again; rather than asking university students to pay back and recompense the cost of a tertiary education, why can they not give of their time instead? When we develop the whole issue of community development, why should our university students not help communities to manage and develop some form of entrepreneurship, whether it is in agriculture or some form of manufacturing? Not for long periods, Mr. President. Even if they make 30 such visits on a Saturday in exchange for their university education, we would have the country reaping the benefit of the investment made by people who paid the taxes to fund the university students, but who may not have had the opportunity to avail themselves of a university education. We have to think in very innovative ways.

With respect to our education problem, the easiest way out is, in fact, to throw money at education. Let us understand before we throw money at it—and I am glad to see the level of expenditure, both recurring and development in education being voted—what are the critical factors which enable a school or any form of institution to produce better educated students. Congratulations to the Government on the idea of the community college. It is so important that there are students who may have received secondary or even A'level education, who do not quite want to go to the academic university, but who have that mix between A'level and vocational education. This would enable a community college to produce persons for the type of jobs that we need today.

I return to the point about what drives an effective school. The first thing is the availability of libraries and textbooks. That is the most significant driver of educational performance because those libraries and textbooks can enable a

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student to do more work and more reading on his own. It pains me to think that in our lowest poverty level, our lowest quintile of the most poor, 20 per cent, I believe it is something like 36 per cent of them cannot afford textbooks.

If ever Government's transfers on subsidies should be directed, it should be to the provision of textbooks and instructional materials. However, seeing that we are becoming a technology enabling government, is it even possible that these schools and communities, rather than textbooks, may find that computers and CD Roms are even less expensive? Information on a computer has a very unusual property. If there is one textbook, two people cannot read it at the same time. However, hundreds of people could access the same data on a computer at the same time. Therefore, data on a computer have a property that is shareable. We may very well find that the use of long distance learning, computer networks and video instructional material could be an important factor in improving the quality of education throughout our communities, especially where the parents of those students may not have the wherewithal, or themselves the basic education, to help with homework.

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

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

Question put and agreed to.

Sen. P. Marshall: Thank you, Mr. President.

The third most important factor in education effectiveness is the contact hours, both at school and at the home. It speaks of the whole multidimensional problem of education. Education is a problem dealing with our social support available. Therefore, one of my wishes is that this Government sees its tackling of its problems in a very multifaceted, multidimensional way. If ever the Government were to attempt to reform itself, how does it break down the functional barriers and silos between the ministries? If we are going into the communities, if we are trying to improve education, my suggestion is that there are multidisciplinary teams made up of the Ministry of Education, the Ministry of Finance and the Ministry of Social Development and so forth, and we should view the whole problem in a holistic way. Education is in the family; it is in the family support outside the school hours. One could have the best teacher in the world, if the child does not have the family support it is no go. It has been proven over and over that the

students in any part of the world who have the most effective and best results come from the homes where their parents, regardless of economic class, have devoted their attention to their children. There is no substitute from that combined holistic view.

6.05 p.m.

A private sector organization competes on the interrelationship of its various functions. That is where a company has competitive advantage. The way its marketing, production, after sales service, accounting departments, the way people communicate with each other internally; the way they communicate across their different disciplines is the total package that enables one private sector company to outperform another.

If this Government wants to be held out as a far-reaching Government, it should break down the functional silos among the ministries. Do not tell me that there is not turf and jealousy among ministries. We must guard. I am sure we guard very jealously, the different allocations of money, and I am saying it could only be effective if we have, at the various levels of the public sector, teams of inter-disciplinary and inter-ministerial persons who come together with the different functional disciplines to solve the problem in a holistic way. They must copy that. If within our government agencies, we do not learn to communicate face to face and we do not lay down those walls which protect our empires, let me tell you, we are not going to learn to communicate via computers. We tend to have the feeling that we can then send E-mail to each other but not communicate. Nothing would get done.

Teacher knowledge and experience is the fourth and the penultimate driver of effective learning. In Mexico, primary school teachers are asked to sit examinations on the very subjects they teach and their pay is based on how effectively they do in their examinations. I am not going to call the name of the continent, but there is a very large continent where they took primary school teachers and put them through the very examinations that they give their children. Do you know 30 per cent of those teachers failed the examinations? Why am I harping on all this? Mr. President, the job of a government is to define reality. We are fortunate with our energy sector. We have beautiful words of how we are going to transform this economy, an economy that is going to compete in the future, on knowledge, learning and competencies and our current state of education is poor; not necessarily because of the actions today but because of the lack of investments two decades ago.

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Let me call out some figures for you, Mr. President. This is from a Labour Force Report 1991. It says that our labour force then stood at 468,000 persons. Do you know 341,000 of those persons, nearly 48 per cent, the highest level of education and learning, in terms of academic results was at the primary level? A total of 111,000 attended secondary schools but left without one CXC.

In other words, to provide a break up very briefly, primary—24,000 persons left before Standard V; 109,000 persons left primary school but they reached Standard V, and 111,000 persons attended secondary schools but left without one CXC. Another 58,000 persons got less than five CXCs and 46,000 got greater than five CXCs. We have a workforce whereby 4 per cent are university degreed and 73 per cent had, in fact, a level of education in terms of academic accomplishments that was no higher than a primary school leaving certificate. Those are the people who we say we are going to use to outcompete the rest of the world. We have a major remedial challenge on our hands. We have great people, they can learn and I am sure that anybody in the energy sector—investors would tell you that the quality of our welders, people involved in the construction of those complex process plants at Point Lisas, are second to none. More and more you would find that the type of industry and service industry requires more cognitive learning rather than physical, manual and other types of skills; where knowledge, without supervision, is going to be the determining factor. I know I am running out of time, I did not want to try to solve all our problems in a day but, basically, we have a challenge on our hands.

In terms of the public sector reform, we need to stop talking about it. We have good people in the public service; we have to pay our good people well. I really would like to abandon all those Salaries Review Commission and Public Service Commissions and where there is one band of payment for everybody and the reward for failure gets to be as big as the reward for success. That is really total nonsense! We have some great people in the public sector and those who perform should be paid, those who do not, should be counselled and if they do not want to change, change them. [*Desk thumping*] Transformation is not going to happen until people are willing to change at an individual level.

I do hope that the Minister of Public Administration and Information, with his re-engineering and computerization, is really able to reach persons, letting them understand the enormity of their contributions that they have to make towards building social capital. As I said earlier, social capital is the synergy in any community that a group of persons sharing the same circumstances can share the

same type of vision with the state agencies that are, in fact, going to provide them with the relevant services, whether they be infrastructure, education, training, development and so forth, form part of that vision to enable the transformation of their community and our nation as a whole, to share our vision of development and competitiveness. I want to tell the Minister of Finance that in three years' time, he is going to be telling us what he did with our \$52 billion.

Mr. President, on this note, let me share with the rest of the speakers, my wishes to everyone for a holy season and to wish you all the best in the New Year.

Thank you.

PROCEDURAL MOTION

Mr. President: Hon. Senators, before calling on the next hon. Senator, since we are going to be sitting beyond 6.30 p.m., perhaps the Leader of Government Business might move the procedural motion now.

The Minister of Public Administration and Information (Sen. The Hon. Wade Mark): Mr. President, in accordance with Standing Order 98, I beg to move that the Senate continues to sit until 10.00 p.m.

Question put and agreed to.

APPROPRIATION BILL (BUDGET)

6.15 p.m.

Sen. Mahadeo Jagmohan: Mr. President, I thank you for the opportunity to speak on the 1998 so-called budget as presented by the Minister of Finance and Minister of Tourism. It is one that lacks vision for long-term goals or appropriate investments in the growth path for the future of Trinidad and Tobago.

This morning, the Hon. Minister of Energy and Energy Industries addressed us for quite a while. I have no problem with him mentioning the many millions and billions of dollars that he has to deal with. I wish I could do it myself, but I cannot. He brought the name of an individual, a private citizen, into the Senate and exposed him. He almost bared the man naked in front of us with respect to his private life. A remarkable man is the gentleman from what he explained, but there was absolutely no need for that. If a question was asked by a Member of this Parliament specifying those needs, it could have been presented in that way. I

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want to advise the Minister that it is the Oilfields Workers' Trade Union that was trying to procure that kind of information—not this Parliament.

A little further, before the hon. Minister ended his contribution, he mentioned the Government detractors, referring to the Opposition Benches. I merely wish to put him at ease. We are not the detractors of the Government. While we are serving in Opposition, the real crunch is that we are the government in waiting.

Hon. Members: A long, long wait!

Sen. M. Jagmohan: The hon. Minister of Planning and Development displayed his sincerity today. He conceded that the Government has not done well as it proposed to do, but that the Government is going to try to do better, unlike other Ministers who have boasted about the achievements of the Government. That Minister must be complimented for speaking the truth in that regard.

The Parliamentary Secretary for housing, in her contribution, mentioned several development projects that were earmarked. She talked about alleviation of poverty and homelessness, poor housing relating it to poverty. She made reference to the United Nations report and loans to be given at special interest rates. This is totally different from what the Minister said in the other place, and what he says all the time all over the place. *[Laughter]* I merely thought that I would mention this.

Mr. President, and hon. Members of the Senate, I listened very carefully to the entire debate today, and if others were paying attention as I was, they would understand I disturbed nobody from their presentation.

The budget, in no way itemizes the clear focus of the direction of the Government. It lacks fundamental principles on budgeting. That is a review of the last budget in terms of its performance. It did not give any indication on how taxes will be raised to finance the 1998 budget. The nation is bothered about whether the Minister is about to resign and leave, or if he may also wish to return to his original moorings—the People's National Movement—or, whether he wishes to go back to the private sector. Maybe he is laying the foundation for the present UNC/NAR Government to collapse, or become a one-term Government like one not long ago. I am speaking about the NAR Government of 1986 to 1991.

There is very little emphasis on definite clear cut policy decisions and definite quality programmes to benefit those less endowed, or the poorest of the poor. Except for a small number of cases, the Government is displaying deceit and arrogance by hand-outs to sections and cliques in the society. But this is only a

short-term plan. Governments are not run this way. The call of the masses is not heeded in an honest manner. Mass publication of unnecessary literature and the mounting of great public relations gimmicks only serve to detract the population from the real issues.

It is a universal norm to do Cabinet reshuffles as an independent matter, and usually dealt with and announced by the person who has appointed the Ministers, or who has recommended them for appointment. As is the instant case, we have had to endure a Cabinet reshuffle by removing parts of the portfolio of the Minister of Works and Transport and placing same in the Ministry of Local Government. That was not fair to the Minister of Works and Transport.

Then, quite curiously and questionably, the real estate portfolio of the Government is now placed under the Minister of Finance and Minister of Tourism. The nation awaits with bated breath to see how the real estate portfolio of the Government will be administered. This is not imputing any kind of motive anywhere, but the nation awaits the implementation of this. Prime Ministers ought to be ultra-careful in assigning ministerial portfolios. *[Laughter]*

Mr. President, time after time certain things in a budget would require changes, we admit that, but fundamental things such as the performance of the budget over the past year should be reflected in the next budget, as the one we are now debating. The Minister woefully failed to indicate the performance of the last budget. We have a whole host of other documents that might have been intended to do this but which have not established anything. He has not given any hint as to how he hopes to raise the sum of \$11,287.3 million to finance the anticipated expenditure for the year 1998, and Sen. Marshall was very loud and clear in this regard.

The Government is now, in what could be described as mid-term, more or less, but the budget has not created any euphoria regarding its content and intent. Over the past two years, the Government piggy-backed on the PNM projects, but now they have no new ideas as to what they should do. Absolutely no new initiative by the Government! They seem totally bereft of new ideas. Poor workers throughout Trinidad and Tobago are very sad and sceptical, as well as disappointed, with the 1998 budget as presented by the Minister of Finance, the Hon. Brian Kuei Tung, in Parliament on December 12, 1997. The greater number of working people—I repeat, the greater number of working people in the nation, particularly those in non-permanent or unsecured employment, hoped that there would have been fiscal measures that would have brought about tangible reduction in income tax payment

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to workers in view of the escalating cost of living on a daily basis, but it is clear to see that the Government has no interest in this regard.

Mr. President, this “no new taxes budget” does not seem to have a real or imaginary hope for the working class, generally. Quite surprisingly, there is no provision contained in the budget regarding capital works that could result in long-term employment and sustainable jobs. Such measures would have certainly brought hope and great expectation to the unemployed, and those who receive seasonal or occasional employment, but there was no such thought on the part of the Minister of Finance. Maybe he is more concerned with the real estate portfolio now or soon to be under his charge.

The monthly paid public sector workers of the state of Trinidad and Tobago had great confidence in the knowledge and practice that at the end of their tenure of employment, they would be guaranteed a monthly paid pension for the whole of life. However, it was made very clear in the budget that both daily and monthly paid employees would now have to contribute in order to qualify for pension rights at the end of their employment upon retirement. This has a serious side which I would address.

Workers were quite happy to receive a lump sum payment of terminal benefits—a measure they would cherish and look forward to, but they are now suspicious about future actions of the Government. They may undermine this measure as well. If they would now be made to contribute to their pensions, which has never happened for the past 100 years in this country, then why can they not have their terminal benefits withdrawn in the very near future? Perhaps by my saying this, I am giving somebody a clue as to what to do.

This group of state employees never previously made any monetary contributions towards their pensions. As a consequence, the concerned state employees are now angry and furious about the new status of their pension plans, as announced by the Minister of Finance. In a certain sense, they are required to pay additional moneys to Government, which will be deducted at source, which compares to new and additional taxes. What a heavy blow to this most important and loyal group of employees in our nation, because they already pay very heavy taxes.

Mr. President, I take a brief look now at the housing situation. It is certainly great cause for concern under the inept handling of the incumbent Minister. He is fortunate to have the assistance of a youthful, energetic and willing Parliamentary

Secretary who possesses many of the prerequisites in terms of her capacity for the job. But her disposition to make decisions for the advancement of housing for the poor working class in need of houses seems to me to be met with all kinds of inhibitions perpetrated by the Minister. Since his budget speeches in 1995, 1996 and 1997, he continues to speak about shelter for all, but those in need of modest houses at affordable prices are suspicious about the motives of the Minister of Housing and Settlements. They are wondering whether or not it is some type of sophisticated new shacks he intends to provide for them, if even he gets around to having anything built at all.

6.30 p.m.

The PNM housing portfolio was there to cushion his work. His rhetoric about Habitat II in Turkey and starter houses has meant nothing at all to anyone so far. His detailed plans for building new sewerage systems and toilet facilities have not seen the light of day, if I may say so. The Minister proposes to raise \$3 million by way of a tax-free housing bond for the financing of the housing sector—\$300 million, I thank you for the correction. Like the Minister of Finance, the Minister of Housing and Settlements continues to be cagey with many aspects of housing for low income families in Trinidad and Tobago.

Not too long ago an exhibition on housing from India was mounted in different parts of Trinidad and Tobago. The hon. Parliamentary Secretary alluded to it in some measure. I visited the exhibition at Gulf City at the urging of the Parliamentary Secretary in the Ministry of Housing and Settlements. One of the assistants at the exhibition took me around and you would be surprised. I saw nothing or hardly anything on housing, but instead I was shown in some detail, methods of winning water and various methods of toilet systems in India. I say no more on that. I will stop there.

In the Minister's budget speech he failed to tell the Parliament and the nation of the areas and locations where the houses would be built, if any. He said nothing about dates and numbers of houses to be delivered. The PNM did these things at all times and everyone was very happy about it. Mr. President, I wish to remind the Minister of Housing and Settlements that the PNM had regularized the tenure of squatters over the years. Either fortunately or unfortunately for me, I served on the Squatters Tribunal for a while.

It is rather strange that on yet another occasion the budget has nothing tangible with regard to plans for housing in terms of how the moneys would be allocated, but I must concede that the Parliamentary Secretary did present a grand plan for

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housing. Perhaps, the Minister of Housing and Settlements wishes to bow out of service to the people and to the Parliament. On the front page of the *TnT Mirror* of December 21, 1997, the Minister was at his wit's end to deny accusations implicating his integrity. I urge him to stay out of such bad situations in the future. Bear with me, Senators and Mr. President. I am referring to this issue of the *TnT Mirror* and this is the headline. I do not wish to read it, it would really make out the Minister of Housing and Settlements to be a different person. I want to ease him up from that kind of torment and anguish. Mr. President, on page 25 of the said newspaper, he is reported as saying that he is experiencing immense difficulties in carrying out the duty of acting Prime Minister whenever he is called to do so. On the same paper! I humbly suggest to the Minister of Housing and Settlements to honourably bow out of politics. [*Desk thumping*]

With your permission and the indulgence of the Senate, again, I want to take a brief look at social development. The Minister of Social Development seems to have been hurt during the course of the budget debate in the other place. He took offence at being described as a customs officer. I urge the Minister not to be so weak. If anything at all, it is the designation of his former job. So many people are called by all kinds of names. Out here in the Senate we refer to my brother there as the Minister of Public Administration and Information, but out there we call him Comrade Mark. What I am saying is that the Minister took that little piece of "picong" too hard.

Mr. President, the increase of old age pension is in keeping with the persistent agitation of the PNM. If Senators challenge this, I will get a few questions to put on the Order Paper and we will bring the Minister of Social Development here and we will see the answers. What thought was given to the rural poor, as well as the suburban dwellers with very little or no income? Let me say here and now that the economy has to be properly stabilized and put on a growth path or else increases in old age pensions will be almost useless. [*Desk thumping*] The Government must clearly understand that a moral contract exists between the Government of Trinidad and Tobago and all the people.

Mr. President, the hon. Minister of Social Development, in his contribution to the debate in the other place, was loud in his claim that they kept prices down. I am sorry he is not here today. Let us examine the misguided claim of the hon. Minister. During 1995 one tin of condensed milk cost \$3.75; in 1996 the price increased to \$4.00; in 1997 the said milk went to \$5.75; an increase of \$1.75 higher than the 1996 price. But the gentleman says they have kept prices down.

Maybe he made the wrong statement and we forgive him for that. Maybe I too may make wrong statements, Sir.

In 1995 one kilogramme of chicken cost \$1.58; in 1996 it went to \$2.00 per kilogramme; after an increase again in 1997, the said chicken went to \$3.75 per kilogramme; a clear increase of \$1.75 over the 1996 price.

I go on to potatoes—being an essential ingredient in the diet of all the people in Trinidad and Tobago—which cost 75 cents per kilogramme in 1995. Fortunately, it did not increase in 1996, but during 1997 the price went to \$1.50 per kilogramme, clearly an increase of 75 cents or 100 per cent increase over the 1996 price. No wonder chicken and chips has taken a big jump in price!

Sardine in tins cost \$4.35 during 1995 and part of 1996, but for most of 1996 it cost \$4.78 cents per tin, an increase of 43 cents per tin. The Minister of Trade and Industry and Consumer Affairs was here, but he has left; his head hit the roof in the other place—which is this same place—when he heard that. We see in 1997 sardines cost \$6.25 per tin, an increase of \$1.47.

Sen. John: Just to clarify the point on sardines, what price did you say?

Sen. M. Jagmohan: Mr. President, I am glad my colleague and friend has asked—somebody said my boss too. That is the truth, I am not like the Minister of Social Development, he does not want to claim that he was a customs officer.

Sen. Gangar: What is the price of sardines?

Sen. M. Jagmohan: Sardines are poor people's food: the Minister of Energy and Energy Industries would not eat that. An increase of 43 cents per tin, but we see in 1997, sardines cost \$6.25 per tin, an increase of \$1.47. Mr. President, for the benefit of my colleagues and the Senate, I am quoting statistics given out by the Central Statistical Office.

Mr. President, I am merely talking about the food our pensioners, poor and old people, eat on a daily basis. One kilogramme of local salted fish cost the consumer \$5.15 in 1995; but in 1996 it went up to \$7.96, an increase of \$1.75 per kilogramme; in 1997 the said item went to \$8.00 per kilogramme. I have a suspicion, Sir, that this price could be the Port of Spain price, but at Point Fortin, Rio Claro and Tobago it would be higher than this.

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The hon. Minister of Social Development spoke about prices being kept down. He also gave the Lower House information about the removal of duty on the following items: Sardines, smoked herring, butter, salted pork, beef, potatoes, onions, beans, garlic and so forth. While duty was removed from the aforementioned commodities, let us see what happened to price during 1995, 1996, and 1997. One kilogramme of rice cost \$1.60 in 1995; in 1996 that went to \$2.00 per kilogramme, an increase of 40 cents; during 1997 that price of rice went to \$2.50 per kilogramme, an increase of 50 cents over 1996.

Sen. Mark: Just a point of clarification. Could the Senator indicate to the Senate, exactly what text he is quoting from, and the date of its publication? Could he tell us, because he is saying these things, but we do not have any evidence of what he is talking about. So give us the date of publication, who published it and when.

Sen. M. Jagmohan: Mr. President, before the hon. Senator rose I was about to appeal for your protection. [*Laughter*] I wish to say that my integrity is more precious to me than anything else in the world. I have been in public life, not as long as Sen. John, he has been a trade union leader for the past 46 years. I have been in public life for the past 40 years.

Mr. President: I want to explain to you that when a Senator stands while you are speaking, unless it is on a point of order, you need not give way.

6.45 p.m.

Sen. M. Jagmohan: Mr. President, I am glad for your protection, but being magnanimous as I am, I thought that the Leader of Government Business should be given a chance now and then. [*Laughter*]

I sat in the House of Representatives when these figures were presented by a Member of that House and I made notes of them on that basis. I double-checked them in the *Hansard* and found my notes compared and, therefore, I consider them authentic information. They were obtained from the Central Statistical Office. If anyone finds this to be misleading, at a later day I would come to this Senate and correct them.

For the sake of the record, I have quoted from the Central Statistical Office statistics, I am making it clear. We can go further on food prices but I would stop here. Those basic items I mentioned in 1995 would have cost the consumer \$54.16; in 1996 the same basket cost the consumer \$62.33; and in 1997 the same basket cost the consumer \$96.48. I do not see how prices were kept down.

Mr. President, while the increase in old age pension is appreciated and we are good enough to tell the Minister of Finance, "good move", having regard to the exchange rate of our currency the increase would be eroded in a short span of time.

I have been informed by reliable sources—this is on another note—that the staff at the Ministry of Social Development is presently inadequate to carry the workload it now has. I wish the Minister of Public Administration and Information would take notice of this. I am also advised that the basic requirements of the said Ministry are in very short supply. I could mention what the basic necessities are but it would hurt a few people. I am not about hurting anyone this evening. Will the Minister of Social Development and the Minister of Public Administration and Information deal with these matters as expeditiously as possible so that maximum efficiency could be guaranteed and maintained.

I kindly request the Minister of Finance and, to a lesser extent, the Minister of Social Development to take on board and develop a proper information channel on the matter of the \$25 million provided for single mothers. Many single fathers are feeling left out. I believe they should be counselled on the instant matter so that they will have all the facts.

A certain number of voluntary and social workers and well-placed religious leaders in the national community are not quite clear on this matter. Many are curious to know whether the Government now wishes to have our women voluntarily become single mothers. This is engaging their attention. Deep down in my heart I do not believe that, but people are curious. Many think this measure would undermine the institution of marriage and family life. I pray that something is done so that they do not come to that conclusion.

I am not sure that I know the entire philosophy and rationale behind this proposed measure. I now appeal to the Government to have it fully explained to the national community through all the facilities available to it.

I say this because on this side of the House we wish to let it be known that we are in full support of anything good for the women of this country. I say it against the background that the greater number of Senators on this side are women. I am helpless not to respond. [*Interruption*] Mr. President, is the last Senator speaking across the table unaware that you have granted leave to Sen. Mannette? How could he be so naive?

Mr. President, I now take a look at the Ministry of Labour and Co-operatives in our system. Again, the Minister is not here. He is our good friend. He spoke on the budget in the other place and displayed total weakness with respect to his portfolio. He went on to tell the Lower House that the budget should be accepted because no one has criticized it. That is on the *Hansard* record. How could he be like that! He spoke about bridges, roads, community centres and other things more than the labour matters in Trinidad and Tobago.

He accused the past Minister of Labour and Co-operatives of sitting in his office and doing nothing. I challenge the technocrats in the Ministry of Labour and Co-operatives to say whether it is true or false when the Minister said "They are now coming out and getting a chance. They are blossoming. They are doing what they were prevented from doing."

Mr. President: Hon. Senator, you must not read excerpts of contributions by Ministers in the other place. You may make synopses of what they have said but I do not permit you to make quotations from their contributions.

Sen. M. Jagmohan: Mr. President, I thank you very much, Sir. I am much obliged. I shall follow your ruling to the letter.

Mr. President, the Minister of Labour and Co-operatives gave the impression that the technocrats were prevented from doing their jobs, which is not so. Previous to the tenure of the last Government and the NAR which lasted for a full five years, all staff at the Ministry of Labour and Co-operatives worked assiduously at all material times. There are Senators on the Government Benches who could support that. It is unfortunate for the Minister to be unkind and callous to staff of the Ministry. If he comes to speak in this Senate then it is my profound hope that he would attempt to be magnanimous.

I remind the Minister that all systems and structures in place at his Ministry are not the efforts of the present Government alone. Most of those were put in place by the PNM over the years and some were also developed by the NAR Government during the 1986—1991 term. At any rate, the entire tax-paying population paid and are still paying for the system at the Ministry of Labour and Co-operatives. I hope he understands.

The airline industry is a very crucial one to Trinidad and Tobago with respect to foreign travel. Presently a substantial number of workers at the airport are locked in battle to save their jobs; not a word on this matter from the Minister of Labour and Co-operatives. I am advised that because of industrial accidents at

Trinmar the workers are engaged in industrial actions for quite some time; not a single word on these matters from the Minister. Is this transparency in government?

Mr. President, with respect to the 5000 workers referred to on page 4 of the budget by the Minister of Finance, I merely wish to remind this Senate that the last government finalized what was being discussed and agitated long before this Government came to power. Enquire from those who are experts in this business. Further to that, the vigilance of the workers concerned and the recognized majority union which is the National Union of Government and Federated Workers, struggled relentlessly for the said 5000 workers to be made permanent. Some praise should go to the versatile and venerable leader of the NUGFW in this regard.

6.55 p.m.

With respect to the credit union movement and co-operative societies in our beautiful country, the Minister is very far away from grasping the true knowledge of how these organizations work for the benefit of its members. I am wondering why the Minister of Labour and Co-operatives is so sadly lacking in his knowledge of the co-operative movement. In order to have us believe that he is the best Minister who ever got the portfolio of co-operatives, he went on to say, in the other place, that the last administration did nothing for the co-operative movement. What a wild statement. *[Interruption]* Mr. President, I will ignore the hecklers. I plead with him not to mislead the Parliament of Trinidad and Tobago. Why is he not aware of the massive assistance given by various PNM administrations to the co-operative movement? Is it that he is not aware that the late great genius, Dr. Eric Williams, of revered memory, saw to it that large sums of money were annually allocated for the financing and institutional strengthening of the co-operative movement in Trinidad and Tobago? I urge him to do the necessary research.

Let me say that the 1998 Budget has not addressed the issue of the co-operative movement in a fundamental and profound manner because it is a poor people's organization. I urge the Minister not to have the nation believe some of the things he is saying about the PNM and the co-operative movement in Trinidad and Tobago. Mr. President, in the 1997 budget the Minister of Finance and Minister of Tourism removed the tax incentive that was available to net savers in credit unions. This benefit was enjoyed by members for over 20 years. The

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Minister of Finance promises new credit union legislation which will allow credit unions to operate successfully in a new environment. But since his removal of the savers' incentive, I am advised that \$28 million was removed from the credit union movement by the same net savers; that is for the early part. I am further advised that by December 31, 1997, approximately \$100 million will be removed from the credit union movement by the same net savers because of the inaction of the Government.

It is certainly heartening that the Minister of Finance has seen the wisdom of the PNM in initiating certain measures; \$12,000 for annuities, very good. We again urge the Minister to reintroduce tax incentive to net savers in the credit union. It is not late, he can do it any time now. The Minister of Finance and Minister of Tourism must not forget that certain commercial banks are not keen to have the co-operative movement and credit unions around for quite obvious reasons. In the interest of many who are not aware, credit unions have been great and efficient mobilizers of credit among the poor citizens for over 50 years. There are records for all to see at the Ministry of Labour and Co-operatives that indicate as at January 1997 there were 353,500 members in the credit union movement in Trinidad and Tobago. This figure represents 65 per cent of the labour force of Trinidad and Tobago or 27 per cent of the entire national population. If the Minister of Labour and Co-operatives had done his own research—sometimes Ministers ask for information and they do not properly brief their technocrats and what they get turns out to be inadequate. No fault of the technocrats. It is the fault of the Ministers for the direction they gave.

Mr. President, the credit union movement has an asset in the tune of—

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. N. Mohammed*]

Question put and agreed to.

Sen. M. Jagmohan: Mr. President, I thank you very much for the courtesy and Members of this Parliament for the opportunity to go further.

As I was saying, the credit union movement has assets in the tune of \$2.22 billion at the moment. Credit unions have been financing, quite successfully, micro entrepreneurs and small businesses for over half a century now. The small man such as the shoemaker, the tailor, the hairdresser, the shopkeeper, newspaper

vendor, nutsman, market vendor, taxi driver and a whole host of small business operators have prospered and grown bigger with support from the credit union movement in Trinidad and Tobago. There are over 164 of them in Trinidad and Tobago presently. The commercial banks are reluctant to deal with this group of people. I do hope that there would be attitudinal changes during 1998 because the UNC/NAR/Independent Government is calling for a total quality nation. Mr. President, will you agree with me, Sir, that this cliché adopted by the Government is any different to world class nation that the PNM advocated and is still advocating? Absolutely no different! That is a good thing, government of national unity.

Mr. President, I wish to return to the industrial relations and human resource management of the Government. What is now known as URP workers was first described as depressed area workers, then that changed to better village workers. At a later stage it was changed to special works, then the real structural change took place when this group of workers I am alluding to became the Division of Environmental Works Division, called DEWD for short. It remained there for quite a long time. Later on it was changed to LIDP and then became URP.

We have heard in the budget now being discussed that the URP is being transferred to the Ministry of Local Government. Whilst we of the People's National Movement eagerly await its transition, we wish to know whether the way it is structured will be rationalized to be similar to that of local government. Very important matter, where there are three different collective agreements for workers in local government. What do I mean by three collective agreements? The workers of the city of San Fernando have a separate agreement, the workers of the city of Port of Spain have a separate agreement and the three other borough councils and all the regional corporations fall under one collective agreement, that collective agreement known as the Joint Negotiating Committees Agreement. Those were negotiated and ratified by the NUGFW. We are seeing a certain situation there. Like I said, we wish to know whether the wages structure will be rationalized to be similar to that of government. That is a big, big question, where there are three different collective agreements, we know that. Also, whether the other provisions of the industrial agreement will be applicable to the URP workers.

We also wish to know whether the said workers will now be free to become members of the NUGFW. Around 90 per cent of the former DEWD workers were members in good standing of the NUGFW where they received all the benefits provided for in the subsisting collective agreement at the time. Resources were

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being excellently rationalized by the last PNM administration and great good was coming out of that activity. We urge the Government to monitor the human resources of the public service in a most professional manner and compare the personnel and compensate the personnel in an appropriate manner. This we ask for the sake of equity and justice for all in the work place.

Mr. President, the \$250,000 referred to as a gift, an advance or whatever, to the National Trade Union Centre. As the name implies trade union centre; I do not know whether this is a “hush mouth” or what it is. This should be \$5 million. The real people who cause income to be generated in this country and have wages where they are, are the trade unions. When the former Trinidad Leaseholds Limited and the former United British Oil Fields—some people here were not born when those names existed. The point is, real prosperity came to Trinidad and Tobago when the trade unions agitated for increased wages and for the income or the profits from the oil industry to stay here and be to the benefit of everyone in the nation. What \$250,000? That is “hush mouth” money like I said. Remember NATUC is a federation of all the trade unions in Trinidad and Tobago. Why can they not have a proper support from the Government? Because the trade unions supported the government in getting hold of the oilfields, just in case people are not aware. I am about to make the last two points then I should end, Mr. President.

A very important point, Mr. President, with respect to industrial relations and labour right now. In the Industrial Relations Act, that piece of important legislation that is existing, the procedure for a trade union to become the recognized majority union, several things have to be done and one is that there must be a count of the workers in each organization. The OWTU is struggling with Amoco to get recognition for a certain group of workers but each time a count is to be taken that oil company moves very fast to circumvent any action that will be beneficial to the trade union for recognition. Therefore, the 51 per cent membership that is now required to be able to get recognition as the bargaining unit, we believe the time has come to reduce that to about 30 per cent, so it would be easier for trade unions to get recognition and I am sure many people here present will agree.

7.10 p.m.

Hon. Senator: No.

Sen. Kuei Tung: No.

Sen. M. Jagmohan: I did not say everybody would agree; I said many people would agree.

Mr. President, a very fundamental point. Let us see if this matter will ever be taken on board. By the body language and facial expressions of a few people here, I will understand if this ever gets any consideration.

During the rainy season or out of crop season in the sugar industry, millions and millions of dollars of very useful equipment lies idle. I am proposing that the Government gives consideration to utilizing those pieces of equipment for carrying out some capital works of the Government in order to have successful completion of projects. The money that would have been paid to anyone else to have it done, could be paid to Caroni (1975) Limited so that Caroni (1975) Limited's position would be a better one some day. Nobody on the Government's side ever thought about this before.

My last point, more or less—in Trinidad and Tobago, we are seeing the continued preponderance of foreign values being aired on the television, the radio and being reported in the daily press. The competent Minister for these matters is here and we are urging him to take steps to control or eliminate some of those which are not necessary. Perhaps our young people are imitating those shows and movies in order to commit crimes. Some people believe so. The Minister of National Security has a pivotal role in this regard.

I wish, Mr. President, to say finally that there is an escalating number of business places and shops which sell drinks which get people intoxicated and in a bad way. The experts say that most of the road accidents are caused by drunken drivers. I am not saying to close down rum shops, but there should be some measure of control of the sale, distribution and opening hours. This will redound to the benefit of the entire nation.

Mr. President, I am glad for the opportunity to speak. Just before I take my seat, I join with the other Senators to wish your good self and your family God's choicest blessings for health, prosperity and peace during 1998. I wish the same for all Senators, their families and loved ones. By extension, we always have a loyal group of people in the public gallery, not many today, I wish them the same. And

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by further extension, on our behalf, I wish the entire nation a happy, healthy and prosperous new year, with total peace for all the beautiful people of this land.

I thank you, Mr. President.

Sen. Dr. Eastlyn Mc Kenzie: Mr. President, I would like to begin by congratulating very warmly the hon. Minister and the staff of the various divisions who helped in compiling the different documents connected with this budget presentation.

The budget has been criticized in some areas as lacking detail. For me, I interpret the lack of detail as an invitation to those of us who would speak, to help to shape the methodology and the process by which Government hopes to achieve the goals which it has set, and I will follow the topics as outlined in the document *Opportunity For All—Introduction to the Appropriation Bill 1998*.

Mr. President, the first heading we have here is Tax Administration Reform and I congratulate the hon. Minister on this proposal. I see where we would have something like what obtains in the United States of America, the Internal Revenue Service. It is hoped that by the introduction of these measures, as outlined, the value added tax process will not be as haphazard as it is, that refunds on income tax would be timely and if they are not timely, that taxpayers would be given interest.

I go over to the Unemployment Relief Programme. I congratulate the hon. Minister in shifting this portfolio and I want to say how much I think it will impact upon the Community Development Division. For a number of years, village councils, women and youth groups have been clamouring for more status and roles in the development of their communities. I think this is an invitation to the Community Development Division to stress to its officers in the different districts to ensure that village organizations function effectively and that they widen their scope so that they could advise Government not only on strategies, but also on the priorities and probably the methodologies.

I would like to use my own experience as an ex-community development officer to show how, in some instances, the experience and advice of communities have helped to minimize errors and have put many programmes on the right path.

I remember in one district in Tobago, there was to be a very significant development project. While the construction was going on, the villagers came out and rallied around the engineers—all highly qualified; you could not find better

qualified people, but they lacked the village experience of the people who lived there and who warned them. They said, "The volume of water that comes down from the hills when it rains, the type of drainage you are using there, it will move your health centre and take it away in a flash." Before the engineers could have done what the villagers were recommending, a little shower came and they saw exactly what was going to happen if they did not pay heed. Luckily, and I should say with due respect to the village experience, they listened and they avoided a disaster.

We have a second experience. In one area, the Government was paving the road and they were paving from one village to the next but they warned the villagers that they would not be able to take the road to its completion, so they would not get to the end of the village. The villagers humbly suggested to the engineers, "Please, we move within our village more than we move outside the village. Pave the village from the other end. In other words, let us have smooth roads walking to our churches, our community centers, *et cetera*, and if you have to leave a part unpaved, leave the part between both villages."

This, to me, is where the Unemployment Relief Programme could benefit from the experience, the advice and whatever of the village organizations and I would encourage the Ministry under which it will now fall, not to disregard the common villagers with whom they are going to work.

I would also like to stress the principle of earning and learning. I saw this as a very good move that was instituted by the Hon. Sadiq Baksh where there was training within the Unemployment Relief Programme. I think that this is a very necessary thing because I believe the Unemployment Relief Programme should be a temporary programme. I do not think it is something that should go on and on with the same people; after a time these people should be weaned from the programme. I also think that we should work out methods and processes to suit the type of people who are making use of this programme.

Many of these people who come out to work on the programme need to earn, but they also need to learn, so that they would be able to earn on their own. But many times, they cannot earn on the skills which they are taught. We either have a saturated situation in the country where there are so many people arranging flowers or something else. So we have to be careful that we teach them marketable skills by which they can earn.

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The point is this: Many times when these people graduate from the programmes, they do not have the confidence to stand on their own; or they do not have the facilities to support them; or they do not have the machinery at home to continue. I will give you an example.

Programmes of training—sometimes I hear people behaving as if these are new. We have had programmes of training for unemployed people for over 40 years under different types of systems. We had people under the education extension; we have people under the Introductory Occupational Courses under the Ministry of Labour and Co-operatives; we have the Youth Training and Education Programme; we had the National Training Board programmes and you name them, we have had so many, taking people from different age groups and different circumstances.

What we found was that when these people graduated, they were not able to stand on their own. Some of them did not have the stoves at home, you taught them to bake so that they could make pies and pastries, but they did not have a stove and even if they had a stove, they did not have measuring cups; they did not have the fancy things with which they learnt at the centres; so they needed that type of support. Some of them did not have the homes that would encourage that; they had children around; they had a little pitch-oil stove; they did not have the circumstances.

What we found was that when we took those people out of their training at the completion and put them under a trained supervisor, in an environment where there were stoves, fridges, measuring cups, spoons, pastry tins and so forth, they would produce under somebody supervising them and they could have outlets for their produce and be paid according to how they produced. It has been done. We have done it in tailoring in Tobago, we have done it with young people who made ties to sell. They do not have the confidence.

Tell me, Mr. President, if I had 15 young men learning tailoring for, let us say, nine months and they had graduated—are you going to leave your bespoke tailor and take your suit to be made by one of these young fellows? You would not. You do not have the confidence that this person has the skill, the experience, or the expertise, but you will take it to that same bespoke tailor who has 10 or 15 of these very people under him, supervising them, guiding them and ensuring that they do the right thing.

7.25 p.m.

Some of these very people are kept back by their children. I think that part of the Unemployment Relief Programme funds could be used to set up little day care centres so that while these people are being trained, somebody in authority and with the expertise would be able to hold and keep their children for them while they are being trained. I have gone to classes and seen the tutor with a baby on her shoulder hushing the baby and the mother is learning something. She has nobody to leave the child with. Apart from that, if we are aiming at some of these people who are disadvantaged, and the children are left without any exposure to a different way of life other than squalor, poverty and everything else, they do not know anything else, all they know is to be hungry, barefooted and be shouted at; “come here, move your so and so.” They should be put in an environment where somebody can talk to them nicely and give them a good meal, read stories to them and so forth because, there is where we are breeding a cycle of behaviour that is going down through generations, in probably one family. One can see a pattern developing and manifesting itself over and over in the same families, communities and homes and if we do not break the cycle there, I think one would be “spinning top in mud.”

Our village councils and groups should also be encouraged in Government’s policy of savings. They should be encouraged that when they meet it would be a good thing to consider setting up a savings scheme.

I come to the Minimum Wage legislation. I am extremely happy about this. I can foresee a rise in the cost of living because many of the people who are paid under the minimum wage presently, are those who work in the supermarkets, the store clerks, domestic helpers. I see layoffs, retrenchments. I see disguised, you are no longer a worker, you could become a trainee with the National Training Board, \$20 per day, and we have to watch for this.

Mr. President, what bothered me was when a worker said to me, “Dr. Mac, right now my boss pays me more than the minimum wage, does he have the authority to cut my pay?” I think the hon. Minister has to make a profound statement that minimum wage does not mean that there should be loss of earnings by people who are getting above the minimum wage. This is a real threat that some people are saying to their employees: “You see, I was paying you more than the minimum wage, I was overpaying you all the time.” The Minister has to make a profound statement that it does not mean that people must lose earnings.

Mr. President: We could take a break for dinner and resume sharply at 8.15 p.m. This sitting is now suspended until 8.15 p.m.

7.30 p.m.: *Sitting suspended.*

8.15 p.m.: *Sitting resumed.*

Sen. Dr. E. Mc Kenzie: Mr. President, before the dinner break I was on the point of the FUNDAid. I very warmly and sincerely congratulate the hon. Minister of Finance and Minister of Tourism for adding this to the budget. I hope that the hon. Minister would make bureaucracy, red tape, paper work and delay in answering these people very minimal. I want to, Sir, share one or two experiences with this honourable Senate, and I hope you would bear with me.

When I came in this afternoon I showed my colleague, Sen. Dr. St. Cyr, a little note I got from a young woman in Tobago some weeks ago. In this letter she was asking me and I read:

Dr. McKenzie, a pleasant morning in Jesus's name. Could you give me some help?

She had gone to the bank of Nova Scotia and requested \$1,500 as a loan, but her experiences should guide us. The bank could not give her the loan. She had a little business she was doing and it was taking off very nicely but she had no records to show and to prove to the bank that she was going to use this money for a viable little business.

I would like to appeal to FUNDAid that they should educate the people who come to borrow money. They should teach them how to run a business, they should teach them that if they are doing any business on their own or for themselves, it is just as if they are working for somebody. They should be there punctually, regularly, keeping good records, giving good service, everything of the sort. They should also teach them how to price their goods because in our community, there is the tendency to ask: "How much is she selling one for, \$5.00?". "I selling it for \$5.00 too, or I am going to sell it for \$4.99", regardless of whether that person has a higher overhead and so forth. There should be very detailed education on how to run a business and to get these people to understand that.

The number of people who would benefit from this—and I have come across people in my tracer studies from YTEPP on the Windward part of the island about three years ago. I had put a notice out for those persons who had gone through

YTEPP informing them that I wanted to have a chat with them. I set a date and time and they came to the community centre. Ninety per cent of them were working. One said that all she wanted was a sewing machine to turn out work for the clients she had. What was she doing in the meanwhile? She was going back to the lady who taught the class and using that facility to meet the orders she had. Here again, the Minister is doing a great good by making this money available. One young lady wanted a deep freeze. She was preserving fruits and whenever they were in season she wanted to store them for when they were out of season, so she could have continued her trade. So the story goes.

8.20 p.m.

The examples show that this is a very useful exercise. I hope that the bureaucracy and the long forms with all sorts of questions that people cannot understand and all other delays would be done away with. I also hope that training in running a small business would be an essential part of the lending process.

I turn now to crime. I listened very intently to the hon. Minister of National Security when he made his contribution. I would share some of my personal experiences with him with regard to the rehabilitation process in the prison at Tobago. I shared an invitation and a programme I had for last week with Sen. Mark. I was invited by the Tobago Prison Rehabilitation Committee that requested my company at their Christmas concert and exhibition, which was held at the prison compound on Young Street, Scarborough on Sunday December 21, 1997, at 1.30 p.m. There was a lovely programme with prayers, songs, calypsoes and humour. More than that, was the exhibition of work on display.

In 1993, as education extension officer, I started a programme of adult education and basic literacy, taking the inmates up to the primary school leaving level. I applied to the Ministry of Education for permission to allow the inmates to write the School Leaving Examination. They would have had to write the examination in the prison, because they were not allowed to go to the centres. Permission was granted. Every year from 1994, we began to send candidates for that examination. We may think that the results are not worth shouting about, but I was extremely happy with them.

In 1994, there were three inmates with full passes, some with distinction and credit. In 1995, there were three with full passes, three with three passes, and two with two passes. In 1996, there were two with full passes and four with three

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passes. In 1997, there were two with four passes, and three with three passes. So there were 10 inmates with full passes; 11 of them had three passes; seven with two passes and 13 of them had one pass each. What is significant is that the following year, those who did not get a full certificate, the Ministry of Education allowed them to write the examination in the particular subject or subjects which they did not pass to make up a full certificate.

This brings me to the point of follow up. They are not in there for a long time. What happens to these young men who would have left with three passes and wanted one more to make a full certificate? In addition, I sent a versatile tutor who is a teacher by profession and had done one of the same courses in masonry under the Ministry of Labour and Co-operatives. He taught them masonry. Some inmates who also knew masonry put their heads together and began to produce flower pots. I am sure the hon. Minister knows this. I sought the permission of Mr. Chase for these inmates to display their work at the general exhibition, which I normally had every year for the education extension programme. I told him that the inmates were doing good work and if they could behave themselves, send them to exhibit their work with ours. He allowed them and they displayed their flower pots. After that they could not fill their orders for flower pots.

We could do follow-up work with these people. Set up a production centre so they could make their flower pots. Whereas an employee might not employ one of them, if they can go to a production centre, to fill their orders, they can produce for the national community. I am throwing out this idea. The inmates had flower pots and bamboo work. This tutor had done bamboo work with the Chinese. A volunteer tailor went in and they did tailoring. Why can they not sew the same uniforms that they wear and pay them after? They also had floral arrangements. Why can there not be a little flower shop in the production centre, where they could produce wreaths and bouquets? With this kind of effort, no individual training is needed. I am sure each one of them has a skill. We need production centres to get these people under supervision where they could do the work they are trained to do and sell their produce. Most of this is done by volunteer tutors.

I will continue with the question of crime and domestic violence. I think there should be extension officers in the community police service. These officers should visit the schools, youth camps, and prisons to talk to the male population in these institutions. Let them "rap" as men and see if they can be counselled to get out of the habit of using their power in a physical way, because they cannot control the womenfolk in other ways. The Minister can look at this in the community police service.

I go now to old age pension. Let me record my congratulations to the Minister of Finance and Minister of Tourism for lifting the pensioners spirit a little. For that increase of \$100, I say to you Sir, “thank you very much”. I would like to be like Oliver Twist. I ask for a little more. Let me tell you that people are living longer. Statistics are showing that women are living longer. So there are so many little old ladies more than there are little old men. [*Laughter*] There is an aged population. The cost of living and the things which little old ladies and little old men like are very expensive. They have expensive tastes. They love porridge and cow-heel soup. They would not do with just anything. They love nice things! The cost of living is high, and in Tobago, it is higher than in Trinidad.

8.30 p.m.

Old people love to save money. Any money that they are not going to spend, they will save. Old people tend to save more than young people do. If you think I am making fun, anyone with a grandmother, ask her for \$5.00. She will always have \$5.00 hidden somewhere that she can give to you.

Mr. President, I appeal to our humane, affable Minister of Finance to raise the level of ceiling of \$5,000 as a disqualification to a higher level. I will tell you why. I think it is contradictory that we say that the minimum wage should be \$7.00 per hour—eight hours per day, that is \$56.00; per fortnight it will be \$600 or \$700 and a month about \$1,500—and we have our pensioners getting \$520 per month. The Minister is saying that if they are already getting \$500.00 per month from rental from a little room next door, they are disqualified.

Mr. President, I beg the Minister, please. I have looked at the statistics in the Social Welfare Division in Tobago. I said to them, “How many people have been disqualified from old age pension?” They said, “Eleven.” I said, “How many of them went over the threshold?” They said, “Nine, and O God, Eastlyn, you know what bothered me? One of them went over by \$22.00. I did not cry and that was all.”

Twenty-two dollars and a person is disqualified. I will tell you why, Mr. President. In Tobago, everybody knows everybody else, so when someone applies for a pension, they will say, “Who, he? He has four children, three of them working, he should not get.” Everybody knows everybody’s business. In Trinidad, a person is anonymous. Whoever applies for old age pension is only a name and a number to the officer. The officer does not know where he or she lives or who he or she is. In Tobago, because we know everyone else, we put the squeeze on them.

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Mr. President, I ask the hon. Minister to cut out that disqualification now, and let us have people who get a supplementary allowance of up to probably \$800 per month get the pension of \$520.00, where in some cases they are sick and cannot even buy the medicine. Sleep on it, Mr. Minister, and if you make one adjustment to the budget, let that be it.

As I speak on that, I ask the hon. Minister of Finance to ask the hon. Minister of Social Development to do some changes to his disbursement to Tobago. I am not asking to increase the disbursement, but for a change in the Emergency Cases Fund for things like natural disasters, deterioration of homes, needy families, burial assistance and such immediate emergencies. Can you imagine that there is an immediate emergency where someone's house has been burnt and that person has to write a letter to Trinidad, they have to meet in committee and then send a reply? By that time it is no longer an emergency. The person cannot even buy a mattress. Not to mention the bus pass; by the time the bus pass comes, the pass "done buss". I am asking the Minister of Finance to ask the Minister of Social Development to send a little impress to meet an emergency in an emergency. The delay is too long. That is a simple domestic arrangement that can be made.

I come to the national no-smoking policy. I said, "The hon. Minister is a very brave man to have a national no-smoking policy and extend it to public buildings." I quickly asked: "Is the Parliament a public building?" I was told, yes. I said, "Many of his colleagues would be out in Woodford Square under the trees taking a smoke." I said, "Wonderful! Marvellous!" I like how he sticks to what he has to do. Congratulations, Sir, and the others have spoken on what you can do to make the measure even harsher. *[Laughter]* I am not looking in any direction, I am looking straight at the President.

Again, I congratulate the Minister on the question of housing. There are very many people in Tobago who have borrowed \$10,000 or \$12,000 from the bank and who would do as the hon. Minister of Housing and Settlements has said, build their houses in stages. They have built a simple house with no electricity and no running water. After they have paid, they look for electricity. I ask the hon. Minister to consider lending those persons money from this fund to pay off the bank. They would then pay no interest to the fund and use the interest to electrify their houses at an earlier stage.

I know he has never thought of that because he would never believe that anyone would borrow \$10,000 from a bank to build a house. Well, there are people in Tobago who do that because with the \$10,000 they buy second-hand

galvanize, cheaper materials; their friends and relatives help them; they cook and put up the roof one day, and in two weeks' time, they are in their new homes and they feel happy—a contented people, prepared to take one step at a time.

Consider that, Sir, and then we can advise these people to apply to the Government because they would have already had their loans and would have told the banks what they wanted it for, so they cannot lie. Do not believe there is any “gerry” in that!

I go now to single mothers and children. I have given an idea of where I think this should go. I do not believe that we have any single mother in the country who could have taken the opportunity to acquire a skill, who does not have one. There have been very many programmes over the years, so any mother who does not have a skill and who needs one would be someone who could not afford to grasp that opportunity. The children were probably the keep back. As I said before, experience, training, day care, pay them out of the URP. There are people who are working for two hours and are getting paid for the whole day. Spend some of the money to invest in the development of these children who would know nothing else but a way of life that is not conducive to good self-development! Cut the cycle of poverty by investing in those children in day care and pre-school. Make sure that all the children are exposed to pre-school under trained teachers, and set up production and sales centres controlled and supervised by qualified people.

This brings me to Sen. Marshall's point. I did not think of it, but I could steal it. How about the people who want jobs and probably owe Government? The Government can have them pay half and pay the next half in community service, supervise the day care centres and teach the children in pre-school. Use them in that way and expose these underprivileged children to a new way of life where their self-esteem will grow, their expectations lifted, and getting them to develop themselves. In this way, we would be investing in the young population who would break that cycle of poverty and unemployability.

8.40 p.m.

I now move on to developing a high-quality human resource base. As a human resource development practitioner—that is really my area—I want to compliment the hon. Minister on the National Community College. However, again, Sir, I come back to the point where there must be some sort of provision made. If the facilities are not going to be available in Tobago in the new Uwidite School of Continuing Studies or the new wing at Signal Hill School and so forth, that

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accommodation scholarships should be given to Tobagonians so that they could access the services of the national community college. We are still suffering, no John Donaldson, no San Fernando Technical Institute. Persons from Tobago would come to Trinidad to attend these institutions but would drop out because they cannot pay accommodation. As I said, give an accommodation scholarship. We could do something to assist, when this becomes a reality, if by that time Tobago does not have any facility to make this possible.

I now deal with the question of Tobago. Mr. President, Sen. Alfred has spoken so much on the budget and the allocations for Tobago. I want to take a different slant. I want to go to Act No. 40 of 1996. I feel that once and for all this Parliament must settle the Tobago issue of Act No. 40 of 1996 and let us finish the unfinished business.

I quote from section 49(2) which says:

“Upon the coming into force of this Act any company, financial institution or a person operating a business in Tobago shall pay in Tobago, all taxes, fees, duties, levies and other imports in respect of its operations in Tobago.”

Is this being done? If it is not being done I would like us to set the system in motion so that it will be done. Let us have the Act completely put into operation.

I continue, section 51(a) says:

“The Secretary may, with the approval of the Assembly borrow by way of overdrafts such sums as the Assembly considers fit for the discharge of its functions.”

Powers, I am sure, that probably even Senators on the Government side are not aware of. Are we going to insist that when situations like these occur that they are brought to the attention of the Tobago House of Assembly and not of the executive? Too often we read where some members of the Tobago House of Assembly are as ignorant of what is happening as the general public is. Let us ensure that provisions in the Act are in operation.

I quote again from section 52, it says:

“Within two months of the coming into force of this Act, the Assembly shall, subject to the approval of the President, make such financial rules as are necessary for the proper management of its finances and such rules shall when made, be laid in Parliament.”

Mr. President, two months have gone, where are the financial rules? Have they been forwarded to the Cabinet of the country? I am sure they have not been laid in the Parliament in this Upper House. I am asking again: What rules are we being governed by in the Tobago House of Assembly? We could take two stances; that the old rules are no longer viable, they are illegal or unconstitutional and we have submitted new rules so we take it for granted that if we have submitted new rules and there is no feedback, they are okay. So we do as we have submitted, and we have seen that.

Mr. President, again I say, please let the Government sit with the Act and underline those sections of the Act that have not been finalized and ensure that we have an Act that is fully in operation.

I quote again, appointment on contract. Earlier in the debate, Sen. Alfred made reference to the sayings of people in Tobago, and this is true. Persons have been saying that the Tobago House of Assembly have been employing persons, nobody knows how they employ them. Are they on contract and so forth. This is what section 75 of the Act says:

“Subject to the guidelines prescribed by the Government in respect of the employment of persons on contract, the Assembly may appoint on contract such persons as it thinks fit.”

Has the Government prescribed the guidelines? If it has not, what are we doing? How can we then criticize and say that the Chief Secretary and his Executive Council are doing what they like? Mr. President, I want to say that we have an Act and unless we sit and go through the Act—as I said when we were debating the Bill, and whether we should take some more time and study the it—that is all gone—I said when we put the vehicle to work if we find that there are defective parts, let us recall it, fix the parts and put it out again.

The Act seems to have some problems with clarification and other aspects of it and I would strongly recommend that the Government overhauls the Act and put systems in place to ensure that the sections in the Act are adhered to.

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

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

Question put and agreed to.

Sen. Dr. E. Mc Kenzie: Thank you very much, Mr. President. Thank you very much, my colleagues for giving me the opportunity to continue and to wind up very shortly.

Another section of the Act which was referred to this morning by Sen. Alfred, deals with the question of settling of salaries. I know that the Government has to wait on the Salaries Review Commission, however, I think it is time that we speed them up. If one year could elapse before we could sit to decide how much money certain persons should get, I think, that is long overdue. Let us have it settled. If persons are getting too much money, say they are getting too much money. If persons are not getting enough money, carry up their salaries to what it should be. However, let us not get on as if we are afraid to say something. Let us behave as: this is what we say, this is the Government's decision and so be it. Let us not be hanging in the balance as if we are scared to take concrete decisions.

Sen. Alfred made much of the allocations. I, also, would like to say that we are very disappointed that we did not get more money. We, in Tobago, have a saying: "Parson like to christen he own child first." I do not know why I still have the impression that this is our child, Tobago is one of the Government's children and that it will ensure that Tobago's development goes along the way that it should.

8.50 p.m.

I am quoting from the page 15 of the Budget Statement and this is what gives me that hope and that positive feeling that if at any time during the year the hon. Minister of Finance and Minister of Tourism sees where he can allocate more funds to Tobago we would be given priority.

"...this Government is committed to the development of the social and economic infrastructure of our sister isle. The unparalleled allocation of 5 per cent of the PSIP is proof of this commitment. These infrastructural development programmes include: the upgrading of the island's electrical and water supply, refurbishing and construction of primary and secondary schools. Emphasis will also be placed on upgrading the health sector, and the further development of the tourism sector through the Tourism Action Programme."

That is a commitment. That is a positive statement of the intentions of the Government and I feel very assured that once the situation is possible, as has been done in 1996 and twice again in 1997, the hon. Minister would ensure that Tobago is given further allocations to assist the people of Tobago to aspire to heights of development that would lift this entire country.

Mr. President, I take this opportunity to say thank you for the privilege and the distinct honour to say something on behalf of Tobago and to contribute to the methodology and the organization of what is set out in the budget statement. I take the opportunity to wish you and your family and my colleagues and their families and the wider community at large, God's continued blessings for 1998, peace, health and happiness.

I thank you, Sir.

Sen. Vimala Tota-Maharaj: Mr. President, it is, indeed, a privilege to speak in support of the 1998 budget presented by the hon. Minister of Finance and Minister of Tourism, Sen. The Hon. Brian Kuei Tung. Tonight, my contribution would focus on the Ministry of Agriculture, Land and Marine Resources as I am attached to that ministry. The Ministry of Agriculture, Land and Marine Resources has, for many, many years, been like a sleeping giant. Over the past two years this giant has been forced to rise from its slumber or inertia, to make a significant contribution to the development of this country. That is why so many unwarranted attacks have been launched at the Ministry of Agriculture, Land and Marine Resources and those of us who are committed to moving in this sector. Mr. President, the saying that "good things come to those who wait" is true, but I would like to change that a little and say that "good things come to those who are committed and persevere." We, at the Ministry of Agriculture, Land and Marine Resources are committed and will persevere to ensure that this sector moves and makes a significant contribution to the development of Trinidad and Tobago.

Pages 8 and 9 of the *Review of the Economy 1997* under the heading, "Real Sector" state that the growth of the non-oil sector has been adequately addressed and the real value added in the agricultural sector is expected to expand by 3.7 per cent. This is clearly indicative of this Government's policies which were formulated and being implemented by those who are committed to the growth of the agricultural sector. I would now quote from pages 10 and 11 of the same document, the *Review of the Economy 1997*. It says:

"In the Agriculture Sector, output in the Sugar and Domestic Agriculture subsectors is expected to grow by 7 per cent and 2.2 per cent respectively. The growth in Sugar is reflective of the sustained increase in output mainly from the sugar refineries (4.2%) and distilleries (29.6%). These increases were offset by an estimated decline of 6.1 per cent in Export Agriculture due mainly to significant reductions in output of cocoa and citrus. The decline in cocoa production ensued from the unfavourable effects of the weather and the

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infestation of the black pod disease. The gains in Domestic Agriculture resulted from increases in the Poultry, Food Crop and Fishing industries.”

I would like to touch on the most important stakeholders of the agricultural industry—the farmers. Historically, the farmers have played an important developmental role in the social and economic evolution of the country. They are the ones responsible for generating the surplus that went into the development of the other sectors of the economy in the early days of development. The Ministry of Agriculture, Land and Marine Resources recognizes that farmers occupy centre stage in the agricultural sector and are considered as one of the most noblest groups of people in our country. We, the Government of Trinidad and Tobago, recognize and we know for a fact that the farmers are the ones who work the land and who produce the freshest commodity that humans need for life, that is, food. They till the land, they feed the nation and, therefore, play a pivotal role in the natural development. The farmer constitutes the nucleus of the agricultural sector around which all activities in the sector revolve. The farmer constitutes the strength, the hope and the future of the agricultural sector.

At the Ministry of Agriculture, Land and Marine Resources we intend to give the farmer his rightful place, that is, the place that he or she deserves. Agriculture is a business and this Government is committed to encouraging the youth of our country to get involved in agriculture, by providing assistance in new technology, increased incentives and education. There is a very significant relationship between the Ministry of Agriculture, Land and Marine Resources and the farmer. One of the fundamental roles of this ministry is to promote and continually nurture an enabling and/or facilitating environment that is conducive to the all-round development and growth of the farmer.

9.00 p.m.

Mr. President, permit me to highlight some crucial areas which will enable this to happen.

- 1) Personal enhancement of the farmer and his or her family.
- 2) Development of strong rural communities.
- 3) Promotion of increases in agricultural output on a sustained basis.
- 4) Overall development of the agricultural sector.

The Ministry of Agriculture, Land and Marine Resources is resolved to strengthening the position of the farmer by the promotion of well-managed

producer, processing and marketing co-operatives. Co-operatives managed in a professional manner will achieve immense benefits to the farmers by lowering production cost through bulk buying of inputs and marketing opportunities, affording quality and regularity of supplies.

Mr. President, an area which I would like to turn to now is that of the Agricultural Rural Access Roads and Bridges Programme. This is one of the areas in which the Ministry of Agriculture, Land and Marine Resources made significant progress. To date, the first two phases of the Rural Access Roads and Bridges Programme have been completed. The impact of the activities which accompanied the construction of these rural access roads and bridges is presently being assessed to determine the benefits of the roads on the production of these areas.

I would like to deviate a little here in that when I assumed office as Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources, I was bombarded with requests for rural access roads and bridges. One request which came to mind a while ago was an incident in which a group of farmers in the Valencia area called the Farm School Site Farmers paid me a visit a few months ago. This group of 75 farmers was put—this is how they explained it to me—on land in the Valencia area about 15 years ago and told to occupy it. No infrastructure was put in place: no roads, no drainage, no lights, no water.

These farmers were complaining that when their children had to go to school, especially during the rainy season, the tracks were impassable, and there was no drainage for the water. I asked them to explain how they were living in this area and nothing was put in place, and they said that the government at that time told them to occupy the land and they would develop it. These farmers, trying to eke out an honest living, were really having a hard time because of the weather and lack of access roads.

This area falls within the constituency of Toco/Manzanilla, and I tried to contact the representative for the area without any luck. So, I went ahead with the assistance of the technocrats, and even though no money was allocated in 1997 to do this development work—to do any work in that area—I begged and pleaded with our technocrats to please see if they could borrow or pinch some money. I asked them to see what they could pull out from some other programme to have an access road for these farmers to use and for their children to go to school.

Fortunately, we were able to pull out \$40,000 from other projects, upon consultation with the Minister and other technocrats, and we were able to do that

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piece of work for the farmers. While this was taking place, I contacted the Ministry of Public Utilities and spoke to the Minister in charge asking that this area be put under the programme for electricity and water and, hopefully, in 1998 some work will start in this area. The road is now passable, the children are able to go to school, and the farmers are able to get their produce to market. *[Desk thumping]* No partisan politics here! This is how we care about our farmers at the Ministry of Agriculture, Land and Marine Resources.

Mr. President, 19.4 kilometres of roads and 10 bridges were developed in Phase I in 1995—1996, and 73.3 kilometres of roads and bridges in Phase II during 1996—1997. Between 2,500—3,000 farmers have benefited from this programme to date. The third phase of this programme is expected to be completed in 1998, and this involves 42.4 kilometres of roads and replacement of 9 bridges. The Ministry of Agriculture, Land and Marine Resources has been allocated \$9 million to continue its access roads programme in 1998. This is just one achievement of the Ministry of Agriculture, Land and Marine Resources.

I would now like to turn to the area of markets. Marketing has long been recognized as one of the stumbling blocks to agricultural development and growth. In an effort to address this deficiency in 1997, the Ministry of Agriculture, Land and Marine Resources identified four sites for the construction of rural markets in rural communities. Now, the Ministry of Agriculture, Land and Marine Resources and the Minister and myself did not catch a “vaps” and said we were going to put down markets in rural communities where we feel to put them down. We got in touch with our regional corporations. We had meetings with our regional corporations, our land and water development people, some of our senior technocrats and farming communities, and we went out to each rural community, held discussions with the farmers and asked them where they would like to have a market.

We did all the necessary studies. That is why this programme is taking so long. We were hoping to build all our markets in 1997, however, we took into consideration that the major stakeholders of the agricultural sector needed to consult, to get together in their little groups and come up with an appropriate venue. As you know, it is very difficult to get groups of farmers to sit together to discuss one thing and come up with one answer. Those of us who deal with farmers know that very well. To date, we have identified four sites, and we have completed one venue which is in Valencia. Hopefully, that market will be open in early 1998. A sum of \$1 million has been allocated for the provision of these facilities.

The wholesale market at Debe, the white elephant of south Trinidad, sat there doing nothing; taxpayers' money going to waste. As you know, Mr. President, NAMDEVCO was moved down to Debe market where it rightly belongs, and I am pleased to say that this wholesale market is a hub of activity for wholesalers. Sometimes, when one goes to this market on a Thursday or Friday night, one sees 400—500 wholesalers using this market. [*Desk thumping*] This market is finally functioning as it should, and I am pleased to report to this honourable Senate that two weeks ago, a meat and fish facility was opened by the Minister of Planning and Development. We hope to put an abattoir sometime during 1998. So finally, the Debe market is bringing in the money it is supposed to bring, and our taxpayers are not throwing their money down the drain.

Mr. President, under legislative reform, I am pleased to say that the Ministry of Agriculture, Land and Marine Resources brought several important pieces of legislation to the Parliament, and I would just like to reiterate them: the Land Surveyor's Act, the Pounds Act, Animal Diseases and Importation (Amdt.) Act—just a few I am mentioning—and they were all proclaimed. The long awaited piece of legislation for which our farmers have been begging, a new Agricultural Small Holding Tenure (Amdt.) Bill, will soon be brought to the Parliament sometime during the course of 1998. The farmers want this. Two weeks ago, I spent a day with the cane farming community—about 300 to 400 of them—and several of them approached me concerning this piece of legislation, because it has been sitting and stewing, and nothing has been done on it. I am now pleased to report that very soon, this piece of legislation will come to the Parliament.

I would just like to state what this piece of legislation entails: a new Agricultural Small Holding Tenure Act which is to be used to replace the existing legislation of the same name, and the Agriculture Contract Act is presently being drafted and is due to come to Parliament in the new year. This legislation will assist in keeping with the policy of the divestiture of Caroni lands, and make small agriculture plots of 50 acres and under available to farmers as all the aspects of the relationship between landlord and tenant will be governed by statute. This was also part of the tripartite agreement which the PNM could not get done, and was necessary for farmers to increase their share of cane production from 40/60 per cent to 75/25 per cent. So, one sees how important this piece of legislation is. [*Desk thumping*]

I would also like to report to the Senate about the praedial larceny legislation. This piece of legislation is now being reviewed by a ministerial committee with a

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view to strengthening the provisions and the penalties. Discussions are ongoing with the police, with a view of re-instituting the praedial larceny squads to address this problem in agriculture.

9.15 p.m.

Mr. President, an area which is very dear and near to my heart is the agricultural incentive programme. The present agricultural incentive programme, even though it has been operational since 1995, has not been very effective. I am pleased to inform this Senate that the agricultural incentive programme was revised in 1997 after consultations in both Trinidad and Tobago with all the stakeholders of the sector.

A review of Government's direct support expenditure in the agricultural sector over the decade revealed that approximately \$498 million was spent in price support and subsidies. These payments were mainly in sugar, cocoa, coffee, dairy, rice, and the coconut subsectors with a major slice going to sugar, rice and dairy farmers. Farmers and fisher folk also benefited from the duty relief on various types of vehicles, machinery and equipment. The main objectives of any programme are:

- (i) to increase employment opportunities.
- (ii) foster greater linkages between primary production and agro processing.
- (iii) enhance the foreign exchange earning capacity of both the traditional and non-traditional subsectors.
- (iv) improve farm incomes and increase the standard of living of the rural farming community.
- (v) improve the production, productivity and viability of the agricultural sector while ensuring sustainability and protection of the environment. Also, to attract higher levels of investment capital and technology.

Mr. President, the revised programme is intended to provide incentives subject to the approval of the Cabinet. I would just like to highlight them here because I think it is very, very important that Members of this honourable Senate hear and learn what we have in store for the agricultural sector.

Sen. Prof. Spence: I wonder if the Parliamentary Secretary, in doing her outlines, would tell us what the changes are for the existing programme.

Sen. V. Tota-Maharaj: Mr. President, this has not been approved by Cabinet. What I am going to read tonight is what resulted from the Ministry of Agriculture, Land and Marine Resources when we held consultations with the stakeholders of the industry or the sector in Trinidad and Tobago. This is what we have put together and these are the proposals that we are coming with. Whether they will be accepted, we do not know. We hope they will be.

Sen. Prof. Spence: I am sorry to interrupt again, if you will give way. What I was asking: in making that presentation, could you show what changes have been made from the existing incentive programme? It is very important for us to know what are yours and what was there before.

Sen. V. Tota-Maharaj: Mr. President, I do not have that available with me now.

Water for agriculture: an incentive of up to 25 per cent of the establishment cost for the construction of wells, dams and ponds for irrigation and aquaculture purposes. Incentives on the cost of pumps and other irrigation equipment.

Fisheries: financial support of up to 10 per cent of the value for multipurpose boats, an increase in gasoline and oil subsidies and support with the cost of boat replacement.

Rice: increase in the present guaranteed price, incentives for the purchase of small equipment and machinery, incentives to increase the production and quality of rice seed material.

Forestry: a rebate for reforestation, agro-forestry programmes on private estates.

Soil conservation: the existing rates for soil conservation measures will be increased by 100 per cent.

Agricultural vehicles and equipment: incentives would be introduced for used refurbished wheel tractors and two-wheel drive pick-up vehicles.

Cocoa and coffee: increased guaranteed prices for cocoa and coffee, incentives for the establishment of central fermentaries.

Citrus: provision of a guaranteed price, provision of incentives for establishment/rehabilitation of orchards. Provision of disease-free planting material at subsidized rates.

Coconuts: an increase in the guaranteed price, incentives to develop other value added products.

Small ruminants: auction facilities to facilitate sale of animals.

Dairy: all dairy farmers supplying approved processing plants will benefit from the milk subsidy. This falls under the purview of the Livestock and Livestock Products Board. The reintroduction of incentives for the establishment of pastures, incentives for the establishment of small-scale milk processing facilities, provision of a guaranteed price.

Beef: provision of services at subsidized rates.

Bee keeping: removal of duties on bee-keeping equipment, access to forest reserve areas for bee-keeping activity.

These are just a few suggestions put forward by the Ministry of Agriculture, Land and Marine Resources and the stakeholders of the sector.

Mr. President, I would now like to touch a little on the Agricultural Development Bank, (ADB). I came across a very interesting article in the *TnT Mirror* Friday, December 19, 1997. The headline was, "Rowley: More trouble for ADB". I would like to state, from what I read when the Minister of Finance was delivering his budget statement, he was completely misquoted, misunderstood and the country has been misled by what I read in this article here, and I had a copy of the budget statement. I would like to explain. It says:

"Rowley said, based on Kuei Tung's parliamentary address, the private banking sector would be afforded tax breaks on loans extended to the agricultural sector."

The Minister of Finance, however, did state that the incentive programme for agriculture will not be unlike that which currently obtains in the tourism sector. Mr. President, apparently some people seem to have problems with the Queen's English.

The Government is committed to ensuring that the ADB performs the critical role of providing agricultural credit to the farming community in a more effective and efficient manner. Therefore, action will be taken to strengthen this institution. Specifically, in 1998 the strategic plan of the ADB will be reviewed and the financial and organizational structure of the bank adjusted to ensure that it is better able to cater to the financial requirements of a modern agricultural sector. The ADB will continue to be the premier financial intermediary in Government's initiatives to provide farmers with the incentives in the area of agricultural credit.

I would like to move on to an area which has generated a great deal of debate inside and outside of the Parliament. Even though the Minister of Planning and Development did make two brief statements on Caroni (1975) Limited, I consider it my duty tonight to make a contribution on Caroni (1975) Limited. My attachment to Caroni (1975) Limited and the cane farming community goes way back. When I say goes way back, to when I was a young girl, because I am the granddaughter of one of the first presidents general of the cane farmers. I remember the days when the cane farmers had their problems and they all communed or they would all gather, sometimes over 100—200 of them would get together at his home at night and they would hold a *panchayat* session to discuss how they could deal with issues such as Tate and Lyle, as Sen. St. Cyr mentioned, and other things affecting the cane farming community. So I understand very well what is happening in the cane farming community and in Caroni (1975) Limited.

Mr. President, Caroni (1975) Limited has been the whipping boy for the Opposition, since they have been sitting on that side. What is curious is that Caroni (1975) Limited, the sugar industry and all the associated problems have been with us for many years. The problems did not just occur. Since 1975 when the company was established there have been numerous problems, numerous studies undertaken, numerous solutions espoused. With the exception of the five years when the National Alliance for Reconstruction formed the Government, and the last two years since this Government has been in office, it was the same PNM who presided over the fate of the sugar industry and Caroni (1975) Limited. Over 16 years the PNM formulated policies for Caroni (1975) Limited and the sugar industry. Yet, today, after this Government has been in office for only two years, we hear all the furor, all the problems of Caroni (1975) Limited and the sugar industry. I wonder why? Mr. President, the question begs: What did the PNM do when they were in office for all those years?

It will be instructive to examine what this Government has accomplished in the two years since in office with respect to Caroni (1975) Limited and, by extension, the sugar industry. As you are aware, the Tripartite Agreement has been the major operational plan inherited by this Government aimed at achieving viability in the company. This Government has made it abundantly clear that it is extremely committed to the agreement.

Mr. President, let us examine some of the major components of the agreement and the accomplishments. In order to achieve this objective, the capital investment programme, the attrition programme and the enhanced pension and retirement

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programme were to be implemented from 1993. The capital investment programme was intended to increase productivity and efficiency of the field and factory operations. The attrition and enhanced pension programmes would have allowed for savings in the company's payroll through a reduction in the labour force.

9.30 p.m.

Mr. President, very little was done during 1992—1995 to enable the company to achieve these targets. These programmes did not commence in earnest until this Government took office at the end of 1995, three years behind schedule. As a consequence, the delay in implementing these programmes adversely affected the projected cost-reduction schedule of the company. This delay must be attributed to the previous Government not providing the necessary funding as scheduled under the agreement for these critical components identified above. No funds were provided. The company was given a guarantee, instead, to borrow money from commercial banks at exorbitant interest rates to supplement programmes. The effect of these actions put the company back in the situation where the then Government had to write off the \$1.2 billion loan.

I would touch on the scheduled labour force reduction. At December 31, 1992 the daily rated hourly workers and staff were as follows

| | |
|-----------------------|-------|
| Staff | 1,002 |
| Daily rated permanent | 4,241 |
| Seasonal | 3,280 |
| Total | 8,523 |

Mr. President, the scheduled labour force reduction was projected as follows:

| | |
|-----------|----------------------------|
| 1995-1996 | 605 persons |
| 1997 | 302 persons |
| 1998 | 302 persons |
| 1999 | 301 persons |
| Total | 1,510 daily rated persons. |

Additionally, it was projected that 120 monthly paid staff would accept the early retirement plan. Between 1993 and 1995 no labour force reduction was

achieved other than by attrition. However, as at November 1997, the daily rated hourly and staff were as follows:

| | |
|-----------------------|-------|
| Staff | 977 |
| Daily rated permanent | 3,527 |
| Seasonal | 2,792 |
| Total | 7,296 |

We must remember that these figures do not include temporary workers whose employment varies and are mainly used during the harvesting period.

The Capital Investment Programme was scheduled as follows:

| | |
|------|---------------|
| 1993 | \$45 million |
| 1994 | \$27 million |
| 1995 | \$45 million |
| 1996 | \$23 million. |

Mr. President, the programme did not commence until 1995. Of course, the projected savings were lost, but more than that, the cost of the programme increased because of foreign exchange adjustments and the increased cost of equipment and machinery.

This Government was able to achieve the following completion of upgrade of the Usine Ste. Madeleine factory; mothball of inefficient No. 2 tandem; installation of crystallized processor; replacement of defective and old field and factory equipment; and installation of factory emission controlled systems which had to be done because the fly ash problem during the crop season was affecting residents of the areas and causing all types of respiratory problems, so we undertook that programme; undertaking of financial audits which were outstanding and, lastly, undertaking of management audits which were necessary.

I now turn to the implementation of the new cane payment systems. Three cane sampling machines were installed and tested during the 1996 and 1997 crops. A pilot project would be implemented in the 1998 crop in respect of payment of canes by quality. Full implementation is hoped to be achieved by 1999. The Sugar Industry Authority is hoped to be established and legislative review governing the sugar industry in 1998 would be brought to Parliament. As you know, we recently brought legislation unifying all the fragmented unions which fall under the cane-farming community.

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In 1998 it is hoped that a technical committee would be appointed to identify and explore all options for viability and make specific recommendations and develop implementation plans and effective time-frames. I think I would leave Caroni (1975) Limited now.

In closing my contribution I take this opportunity to wish your good self, Sir, and your family, my colleagues, the staff of Parliament, and all present tonight, a productive and spiritually prosperous 1998. [*Desk thumping*].

Sen. Prof. John Spence: Mr. President, I am really just trying to ensure that the debate continues because I had expected to speak tonight. Forgive me if I am a little slow in getting going.

I start by saying that one has to distinguish between the budget presentation and the budget itself. Of course, not being an economist at all, it is very difficult for me to get through the budget without the help of the presentation. I am one of those who regret that the presentation style has changed. Certainly, it helps me to get the review of the economy and put it into context and also an indication of how the measures proposed would affect income revenue and expenditure of Government. It is easier to see what decisions one would support or not, depending upon whether one would be able to get that information. In that respect, I regret the change made in the way the budget is presented.

I looked again at the hon. Prime Minister's—who was the then Leader of the Opposition—contribution to the 1995 budget done in December 1994. I did this two years ago and again, I suggest that Members on the other side re-read the hon. Mr. Panday's contribution at that time.

One of things that he pointed out then, was that in the early days we had a throne speech, in effect. This is when the President—then called the Governor General—read the government's policy in his presentation. It was not necessary then to have that comprehensive presentation of the budget. But when that was dropped, that is when I think, it was almost essential to have that sort of presentation for the budget. If we are not going to have it in the budget, then we should go back to having a speech read by the President but prepared by the Government.

From my point of view, the contribution made by Dr. St. Cyr and Sen. Marshall certainly guided me as to the context. Then I have had to digest that and immediately respond. Whereas if that had been presented by the hon. Minister or earlier on by the President in reading the speech, it would have been easier for us

to have a sensible discussion. I suggest that we still have that discussion. Either the Government comes with a motion on its policy and strategies which we can then debate, or if the Government would not do it, then I think a private Member, one of us, would have to move a motion that will engender that sort of debate.

Having said that, I would make one or two points about the things which are positive and with which I agree in the details of the budget. I certainly agree and welcome the increase in old age pension. Twenty-five per cent is a substantial increase. It would help us if we had known what this is going to cost, because we would be in a better position to say whether we favour a further increase. My first reaction is, surely the old age pension should, at least, meet what is considered to be the poverty figure, which is \$600 a month. Therefore, that would be my position. But then it is hard for me to say that without knowing the details of the cost such a measure would have and, therefore, what else would have to be forgone in the budget in order to achieve that objective. If I suggest that, it is not that I am making a wild suggestion with no thought to the fact that the money has to come from somewhere, but in the absence of details of that sort I am forced to make it, even though it may turn out to be a measure that we cannot afford.

9.40 p.m.

I welcome the allocation of \$25 million to help single mothers. I take the point made by some speakers with respect to the fact that we should not seem to be changing the family structure by this measure. However, I think one has to be realistic and there are some people who need to be helped in this area and I think it is important for us to give that help. We should make all the statements we need to in respect of trying to support family structures in other ways.

I welcome the tax on cigarettes. Again, I think one of the previous speakers suggested—I think it was Sen. Oudit—that the increase was not enough because apparently, I think I was correct in hearing her say that the tobacco companies have already said that they will absorb that increase without increasing the price of cigarettes. That means that there will be no effect on cutting down consumption. I therefore urge that it be increased.

One of the first budget contributions that I made 11 years ago I had some discussion with Dr. Michael Beaubrun before I made my contribution, and I argued very strongly for an increase in taxes on alcohol as well. I will do so again now. Dr. Beaubrun showed quite clearly that a large percentage of the illnesses in the

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hospital and, therefore, the pressure on the health services, were alcohol-related illnesses, and secondly that the accident rate was also directly related to the tax on alcohol. Any time the tax went up the rate of motor vehicle accidents went down. Again, I urge that we think very seriously about further increasing the tax on alcohol. Those of us who are well-to-do can, perhaps, continue to consume but at least for the mass of the population it may have some effect in reducing the consumption and, therefore, the ill effects.

I am certainly in support of the loans for computers. I have argued repeatedly that schools need to be computerized to a greater degree. I certainly would have supported that. I am very disappointed that we have not put aside a substantial sum, perhaps in the Public Sector Investment Programme budget, for the computerization of schools. One has to be careful that in implementing a measure like this, one does not end up giving the people who, in any case, would have that advantage, a further advantage and those who, in spite of all incentive, would not buy computers. It would mean their children would be disadvantaged and again the gap is increasing rather than narrowing. I think it is extremely important, whatever we might do with respect to the adult population, that we ensure that the schools have adequate numbers of computers.

I am sorry to do it again, I do it *ad nauseam*, but I will do it again, nevertheless. In Barbados they have decided that by the year 2000 there will be one computer for every 10 children in secondary schools and one to every four children in primary. And to think that Trinidad and Tobago is boasting about being a quality nation and one that is a leader in financial business affairs in the region and we have not understood that in the 21st century we cannot do that without a computer literate population; one which is clearly grounded in information technology. While I welcome this measure, I think it is not even a half measure but quarter measure.

On the subject of the loan, I would say in the United Kingdom now—and I was told in a discussion at tea time that it is already the case in the United States—it is just a proposal, that teachers should be given tax relief on the purchase of computers. That is, the same way as a business enterprise has to use computers and, therefore, can write them off. I think in this budget the write-off might be 30 per cent per annum, which I also support, because that is about the life of computers these days. In the United Kingdom it is now being proposed that computers be considered as essential tools for teachers in preparing their materials for teaching. Just as a doctor can write off his stethoscope so a teacher should

have a computer and be able to write off a certain degree of tax. In other words, they get a tax relief incentive to purchase. I certainly hope that would be included sometime in the very near future.

With respect to the grant to FUNDAid, I of course support that fully and all the other measures and grants that have been made to increase training as well. The FUNDAid grant can go to single mothers and many additional increases have been put in the budget in various sectors for increased training. That is extremely important. I will discuss the community college aspect a little later on.

With respect to pensions, again I think it is important that we move in the direction of ensuring that every member of the population has a pension to look forward to in the future, so I support this. The aspect of contributory pension schemes, I do not think I know enough about the system to really make an intelligent contribution except to say it seems to me unless salary increases go along with the contributory pension idea it means, in effect, that you are giving staff and employees an immediate cut in income possibly to look forward to a better pension later on. Certainly, if I were a trade unionist, I would be arguing for increased salary to cover the immediate cost of the contribution to the employee. I think it has been argued by the other speakers that one has to be careful that this does not become a burden to future generations. Pension has to be carefully adjusted to meet the differing age groups in the population. We do not want to have a situation where in the future our young people have to carry this large bill for the older generation.

I certainly support the minimum wage idea. I think that is very good. I hope that it does not mean people will lay off staff or give them lower wages than they are now giving because they are above the minimum.

I agree with the separation of mortgage interest deduction from pension contributions but I would point out that by limiting the pension contributions to \$12,000 it means those persons who have already started on the basis of last year's decision, who did not have mortgages and put their full \$18,000 into pension contributions, are now at a disadvantage. I agree with the position which was stated earlier by one of the other Senators, that one should not have a measure like this and then, one year later, put certain persons who have acted on the basis of your decision, at a disadvantage. It seems to me that to have equity one should have the pension deduction at \$18,000 as well. I do not see any other way of having an equitable position. Those are the measures I would certainly support with the modification that I suggested.

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There are certain aspects of the budget which I find myself either in disagreement with or not supporting as wholeheartedly as I may have done in the first list that I have just gone through. One of these is not so much a measure in the budget but the lack of comment on the position of the exchange rate. A number of speakers before me have mentioned this point. I know the hon. Minister of Finance takes the view that since it is a sensitive issue, one should not discuss it. I do not know that is really valid. I do not see that a discussion on the exchange rate, especially if one is discussing measures to stabilize it, can be considered to be a risky discussion to have. I think it is important that we have it.

Certainly, what seems to be happening at the moment—and if it is not discussed one wonders whether the position is fully understood. Lloyd Best in an article in the *Daily Express* on Saturday 27 in which the heading is “Management without Theory”, makes the point on the rate of exchange as has been mentioned by other persons. What have we got at the moment? As the economy grows and as the rate of unemployment falls, there are more persons with disposable incomes and their disposable incomes impart in buying luxury goods. Indeed, even if they feed themselves better and improve their nutrition, because we do not produce a very large proportion of our food, it means we are going to import more goods. We therefore have the strange situation that the very growth we are having is leading to pressures on the rate of exchange. Unfortunately, the growth is not being matched by increase in productivity of those exports that would bring us the foreign exchange. It seems to me that a large part of our growth is really coming from investments in the energy sector and whatever spills over is from the rest of the economy. That is not necessarily bringing into our system the foreign exchange that we would need. Some foreign exchange may be kept in external accounts. Our solution to that is to try to persuade these companies to perhaps put it, for a time at least, into some local accounts. I cannot see that this is the solution.

So you get the contradiction of the hon. Minister saying his objective is not to intervene by increasing reserve requirements, the next week the Central Bank is increasing the reserve requirements. This means the interest rates go up and the money to be borrowed by the same ministry that you would expect to invest in increased production having to pay higher interest rates and, therefore, we are less likely to invest. We go around and the circle continues. The increased reserve requirements will put up interest rates which will reduce the liquidity and eventually the interest rates will fall again when the pressure is relieved on the rate of exchange and the liquidity will increase, people will spend more on imports and we have to do it all over again.

Perhaps the hon. Minister will explain to us in his winding up how his other monetary policies will address this issue and how, in addressing it, it will not also have the effect that I think it will to dampen rather than increase production in order to earn foreign exchange and to increase the export-led growth in the non-oil sector. Because when the hon. Minister outlined the differences between Trinidad and Tobago and the other islands in the Caribbean, I think he omitted to say there were big changes. Big changes came with the fall in oil prices in 1986. None of the other islands have had that sort of catastrophic fall in their state enterprise. The tourism industry in Barbados, Antigua and Anguilla or Montserrat for that matter, has not collapsed in the same way that the oil prices collapsed here. Of course, the same thing will happen to us again, despite all the good management of the Minister of Finance and this Government; there will be absolutely no point. I think Sen. Dr. St. Cyr was trying to make that point.

9.55 p.m.

You know, Mr. President, I would be less anxious if I thought that people on the Government Benches understood it, but had for political reasons to give the circumstance. That I understand. What riles me sometimes is that I am not entirely convinced that they do understand. I am not sure if the Opposition understands it any better, because their policies were exactly the same when they were in government. I think we have a serious problem.

When I listened to the President of the Chamber of Commerce with respect to the foreign exchange problem saying that the Government should solve it and not talk about increased productivity, I wondered whether the Chamber of Commerce understands it. So I think we really have a problem and I think we certainly need in the Parliament more discussions and presentations of the nature of Sen. Dr. St. Cyr and Sen. Marshall and then a discussion on those issues.

Certainly, the public utterances of our Government, our Opposition and our business people really make one not very confident that we are going to solve this problem very early on and if we do have a fall in oil prices to an obvious rate as it was in 1986—because as the hon. Minister of Energy and Energy Industries was pointing out to us, our dependence on oil is less than it was and our dependence on natural gas may not be affected in quite the same way. In that sense we were cushioned by shifting our staple, as Sen. Dr. St. Cyr called it. We have not shifted it out of energy, we have shifted it from one resource to another and because we still have the reserves in natural gas which we do not have in oil, that puts us okay for another few years in that regard. But, again, at some stage, we have to think

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about our grandchildren and try to make the change while we have the resources to do it, rather than wait until we cannot find the money to try to do it.

With respect to the economic picture, I agree entirely with the points that have been made and with the hon. Minister that the accepted international macro-economic variables are good. On the other hand, what has also been accepted internationally now is that the path with which to create this, that is using the market system as a major growth stimulus to the economy, has an effect of increasing poverty and, of course, we have it here as well. So, I welcome those measures that were addressed to poverty.

But, you know, the hon. Prime Minister in his contribution of 1995 suggested that one of the important things about the budget was putting a target for a reduction in unemployment. Now, for three years we have had budgets but we still have not had that done and I think that unless we are able to do some arithmetic about the expectations, not in the oil sector, because the hon. Minister of Energy and Energy Industries gave us a very important contribution on the oil sector, but what we have not had are contributions of that calibre in the other sectors to indicate to us how the jobs are going to be created, apart from this short-term construction activity and the spillover effects from the oil and sugar.

Mr. President, may I just interrupt a bit to ask if it is possible to ask the hon. Leader of Government Business to let us continue because I would hate to have to break until tomorrow morning. Maybe a procedural measure needs to be carried out.

Mr. President: Since we already took a decision to go to 10.00 o'clock, we will have to waive the Standing Orders to go beyond.

Sen. Mark: Do you want to go through?

Sen. Prof. J. Spence: I would rather finish now.

[Leader of Government Business looks through Standing Orders]

Sen. Prof. J. Spence: All right. Mr. President, it seems that general opinion is that we should stop.

Sen. Mark: No, no.

Sen. Prof. J. Spence: It seems that everybody on my side wants to stop, so it is all right.

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Motion made and question proposed, That the Senate do now adjourn to Tuesday, December 30, 1997 at 10.00 a.m. [Hon. W. Mark]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.01 p.m.