

*Leave of Absence*

*Tuesday, April 21, 1998*

**SENATE**

*Tuesday, April 21, 1998*

The Senate met at 1.30 p.m.

**PRAYERS**

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

**LEAVE OF ABSENCE**

**Mr. Vice-President:** Hon. Senators, I have granted leave of absence to Sen. Cynthia Alfred from today's sitting of the Senate. I have also granted leave of absence to Sen. Selwyn John from the sittings of the Senate from April 18 to May 2, 1998.

**SENATOR'S APPOINTMENT**

**Mr. Vice-President:** Hon. Senators, I have been advised by His Excellency the Acting President that he has appointed Dr. John Bharath temporary Senator, with effect from April 18, 1998 and continuing, during the absence from Trinidad and Tobago of Sen. Selwyn John.

**OATH OF ALLEGIANCE**

*Sen. Dr. John Bharath took and subscribed the Oath of Allegiance as required by law.*

**FINANCE (SUPPLEMENTATION AND VARIATION OF  
APPROPRIATION) (1997) (NO. 2) BILL**

Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the year ending December 31, 1997, brought from the House of Representatives [*The Minister of Finance and Minister of Tourism*]; read the first time.

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

*Question put and agreed to.*

**PAPERS LAID**

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts and financial statements of the Primary Education Programme for the year ended December 31, 1995, as required by Loan Contracts

- 796/SF-TT and 215/IC-TT between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank. [*The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts and financial statements of the Primary Education Programme for the year ended December 31, 1996 as required by Loan Contracts 796/SF-TT and 215/IC-TT between the Government of the Republic of Trinidad and Tobago and the Inter-American Development Bank. [*Hon. B. Kuei Tung*]
  3. The Minimum Wages Order, 1998. [*The Minister of Public Administration and Information (Sen. The Hon. Wade Mark)*]
  4. The Minimum Wages (Amdt.) Order, 1998 [*Hon. W. Mark*]
  5. Report on the annual audited financial statements of Trinidad and Tobago National Petroleum Marketing Company Limited for the year ending March 31, 1997. [*Hon. W. Mark*]
  6. Report on the annual audited financial statements of Trinidad and Tobago Free Zones Company Limited for the year ending December 31, 1997. [*Hon. W. Mark*]

#### ORAL ANSWERS TO QUESTIONS

#### Ministry of Public Administration and Information (Employment Statistics)

**18. Sen. Mahadeo Jagmohan** asked the hon. Minister of Public Administration and Information:

Could the hon. Minister advise this Senate about:

- (a) The number of persons employed by the Ministry during the last six months, their job classification and expertise?
- (b) The rate of salaries or wages such persons gained on employment?

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. Vice-President, during the last six months, eight persons were employed by the Ministry of Public Administration and Information. The names of these persons are:

Karyn Khan-Joseph	Sean King
Mohan Marajh	Osmond Cordner

Nicole Romany                      William P. Gomez

Sonja Anne Wong                  Ann Marie Gannes

I will deal with their job classification as it relates to Mrs. Khan-Joseph. She is classified as a Technical Production Officer—salary, \$3,500 per month; transport allowance, \$750. I have her qualifications in writing, which I can circulate to my colleague. Sean King is a Technical Production Officer with the same salary and transport allowance. In the case of Mr. Mohan Marajh, he is a photographer earning \$2,500 per month with \$500 in transport allowance. Mr. Osmond Cordner is also a photographer earning \$2,500 per month and \$500 in transport allowance.

Nicole Romany, Production Assistant—\$2,000 per month. Mr. William P. Gomez, Broadcasting Equipment Operator—\$2,300 per month and \$500 transport allowance. Sonja Anne Wong is a Graphic Artist and is in receipt of \$3,500 per month. Ann Marie Gannes is a Media Officer—\$4,500 per month and \$750 transport allowance.

As I said, if the Senator wishes to get the qualifications of these persons, I can always make them available to him.

**Sen. Jagmohan:** The Senate has heard the answer provided by the hon. Minister. I would like to place the following supplemental questions:

- (1) How did they gain employment? Were they contracted on a short-term basis, hired by the Ministry or was the formality of going through the public service adhered to?
- (2) In what range was each worker placed?

**1.40 p.m**

**Sen. The Hon. W. Mark:** Mr. Vice-President, all these workers are on contract as it relates to terms and conditions of engagement.

**Mr. Vice-President:** May I ask those members in the public gallery who are distracting the proceedings of the Chamber to refrain from moving their arms up, down, or otherwise or I would have to have you removed from the Chamber.

You may proceed, Minister Mark.

**Sen. Daly:** Mr. Vice-President, on a point of order, Standing Order 79(4) is among those rules of the Standing Orders which provides for conduct in what we call the public gallery. Do you mind, Sir, without in any way challenging what has

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just fallen from you, whether you can look at that Standing Order and see if it is being infringed? It is renumbered 80(4). I wonder whether I could respectfully invite you to look at Standing Order 80(4).

**Mr. Vice-President:** Standing Order 80(4) is precisely the one which I am invoking to ask the members in the public gallery to conduct themselves in a fit and proper manner which is consistent with the proceedings of the Chamber. It reads:

“Strangers must preserve silence, and must conduct themselves in a fit and proper manner during a sitting.”

I am invoking that Standing Order by asking them to refrain from any gesticulation at all while the proceedings in this Chamber are in progress.

**Sen. The Hon. W. Mark:** Mr. Vice-President, in relation to the first question, all these workers are contract officers and secondly, as it relates to terms and conditions of employment, those are determined by the CPO. It is not a question of classification and ranges. The CPO is the agency which is responsible for employment practices and terms and conditions of work.

**Sen. Jagmohan:** Mr. Vice-President, I thank the hon. Minister for that information, but I also wish to ask the hon. Minister by way of a supplementary question, if he could advise what means were used to advertise these jobs or contracts?

**Sen. The Hon. W. Mark:** I would respectfully suggest to my friend that he should file another question with respect to that. I had been asked specific questions and I did not walk with that information.

**Sen. Mohammed:** Mr. Vice-President, by way of a further supplemental question: Would the hon. Minister indicate who would have been involved with the negotiations of these terms and conditions? I know he said that the CPO determines, but who would have been actively involved in the negotiation of these contracts?

**Sen. The Hon. W. Mark:** Mr. Vice-President, I would be prepared to get that information to the Senator, but the CPO which is the broad term for the agency which is responsible for determining conditions of engagement would have their own officers whose names I do not have, to negotiate with persons who have been employed on contract.

**Sen. Shabazz:** Mr. Vice-President, I ask the Minister since he does not know the terms and conditions under which they were employed, is he sure whether they were fair terms and conditions under which they were employed?

**Sen. The Hon. W. Mark:** Mr. Vice-President, before anyone is employed in the public service on contract, that person must agree in writing to accept the terms and conditions of employment.

**Sen. Shabazz:** Mr. Vice-President, I only asked this supplemental question because there is a situation where persons have been sixth and then first, and third and then first and I wanted to know whether the fairness was in that light.

**Sen. Mohammed:** Mr. Vice-President, by way of a further supplemental question: Would the hon. Minister inform this Chamber whether he personally had any involvement in any discussions or any negotiations with respect to these terms and conditions?

**Sen. The Hon. W. Mark:** Mr. Vice-President, all terms and conditions of employment for anyone on contract in the public service are, in fact, conducted by the Chief Personnel Office.

### Piparo Volcano

**20. Sen. Mahadeo Jagmohan** asked the hon. Minister of Housing and Settlements:

Could the hon. Minister also advise this Senate:

- (a) Whether the unfortunate Piparo volcano victims who lost their homes when the Piparo volcano erupted during 1997 have received any form of assistance with respect to housing;
- (b) Whether the Ministry is planning to relocate those residents who are still residing on the periphery of the Piparo volcano?

**The Parliamentary Secretary in the Ministry of Housing and Settlements (Sen. Carol Cuffy-Dowlat):** Mr. Vice-President, the Minister of Housing and Settlements wishes to inform this honourable House that 14 families lost their houses at Piparo when the mud volcano erupted on February 22, 1997. Three of the 14 families have opted to remain in the Piparo area where the National Housing Authority is currently negotiating for the purchase of a parcel of private land to construct the three houses.

The other 11 families have agreed to be relocated to Buen Intento where construction has already commenced on nine of the 11 houses. Work on the remaining two is expected to commence by the end of April 1998.

The residents who are still residing on the periphery of the Piparo volcano fall within the purview of a comprehensive study being undertaken by a Cabinet-appointed committee whose terms of reference are:—

- to recommend for the consideration of Cabinet a policy for the development around high hazard zones;
- to undertake a comprehensive review of current land use in the Piparo high-hazard zone and prepare a Disaster Impact Model;
- to interact with residents, to educate and alert them to the need for their co-operation and input in the relocation exercise; and
- to prepare a detailed estimate of compensation payable in the next five years to the displaced families whose homes were destroyed by the eruption of the Piparo Mud Volcano on February 22, 1997.

The report of the committee is expected by June, 1998 and will form the basis for the decision concerning the residents who are located on the periphery of the volcano.

**Sen Jagmohan:** Mr. Vice-President, can the Parliamentary Secretary advise this Senate of the location of the private lands being negotiated to resettle or to house some of the affected victims of the volcano in question?

**Sen. C. Cuffy-Dowlat:** Lands have been looked at and negotiations are taking place at Stone Road in Piparo among other areas.

**Sen. Mannette:** Mr. Vice-President, did the hon. Senator say that families would receive some cash assistance from the Government? If so, what is the source of that funding please?

**Sen. C. Cuffy-Dowlat:** Mr. Vice-President, I would repeat what I said. The terms of reference of the Cabinet-appointed committee would include preparing a detailed estimate of compensation payable in the next five years to displaced families whose homes were destroyed by the eruption of the Piparo Mud Volcano on February 22, 1997. When we do, in fact, receive those recommendations from that technical committee, a further analysis would be made with regard to compensation.

**Mr. Vice-President:** Questions 23, 24, and 25 standing in the name of Sen. Cynthia Alfred, who has been granted leave of absence from today's sitting are hereby deferred.

*The following questions stood on the Order Paper in the name of Sen. Cynthia Alfred:*

**Tobago House of Assembly  
(Authorization of Salary)**

- 23.** Could the hon. Minister for Tobago Affairs advise this Senate:
- (i) who authorized the present salaries for the Secretaries and Assistant Secretaries of the Tobago House of Assembly?
  - (ii) why is the minority leader in receipt of the same salary as a representative without portfolio?

**Tobago House of Assembly  
(Salaries Review Commission—Remuneration)**

- 24.** Could the hon. Minister for Tobago Affairs advise this Senate:
- (i) whether the Salaries Review Commission has settled remuneration for members of the Tobago House of Assembly.
  - (ii) If the answer is in the affirmative:
    - (a) Would the Minister please say what is the monthly remuneration of each member of the Assembly; and
    - (b) From which month did each member receive his/her remuneration.
  - (iii) If the answer is in the negative, could the Minister please state how soon the Salaries Review Commission is expected to complete its deliberations?

**Tobago House of Assembly  
(Constituency Offices)**

- 25.** Would the hon. Minister for Tobago Affairs please state when the representatives of the Tobago House of Assembly are likely to have offices set up in their constituencies?

*Questions by leave, deferred.*

**Sen. Mohammed:** Mr. Vice-President, I think we omitted question 21.

**Mr. Vice-President:** I am sorry.

**Caroni Limited**  
**(Reduction of workers)**

**21. Sen. Mahadeo Jagmohan** asked the hon. Minister of Agriculture, Lands and Marine Resources:

- (a) Could the hon. Minister advise this Senate whether there is a reduction of workers at Caroni Limited for the 1998 crop;
- (b) If the answer is in the affirmative, could the Minister state the classification of the workers so affected?

**The Parliamentary Secretary in the Ministry of Agriculture, Land and Marine Resources (Sen. Vimala Tota-Maharaj):** Mr. Vice-President, with respect to part (a) of the question, in accordance with the tripartite agreement of 1992, there has been a reduction in the labour force at Caroni (1975) Limited by voluntary separation and natural attrition for the 1998 crop.

With respect to part (b) of the question, the classification of the workers so affected are as follows: cutters, bundlers, labourers, drainers, yardmen, foremen, clerks, wheel tractor operators, crane operators, SLT operators, mechanics, drivers, senior servicemen, chairmen, handymen, sprayers, sorters, watchmen, janitors, assistant tradesmen, food crop workers and transport workers.

**Sen. Jagmohan:** I have listened to the answer provided by the Parliamentary Secretary. They are not totally satisfactory and I wish to ask two supplementary questions.

Firstly, whether any monthly paid employee of Caroni (1975) Limited was affected in the reduction of the size of staff there. With respect to the classification, to my knowledge, they are all hourly and weekly paid workers.

The other question is whether the reduction of which I heard was due to attrition and other things, or whether the devastation of the sugar cane boiler reported pest was the cause for reduction in the size of the labour force.

**Sen. V. Tota-Maharaj:** Mr. Vice-President, to those two supplemental questions posed, I do not have the available information and I would advise the Senator to accordingly file the necessary questions.



**Sen. Mohammed:** Mr. Vice-President, I have a further supplemental question. Can the Parliamentary Secretary indicate to us how many more must go?

**Sen. V. Tota-Maharaj:** Mr. Vice-President, part (b) of the question asked specifically for classification of workers and not number of workers, so I would suggest to the Senator that she files a question accordingly.

**Sen. Mohammed:** Mr. Vice-President, a further supplemental question, please. Can the hon. Parliamentary Secretary then tell us how many went?

**Sen. V. Tota-Maharaj:** Mr. Vice-President, I would like to reiterate that part (b) of the question asked for classification of workers and I do not have, this afternoon, the number of workers available.

**1.55 p.m.**

**FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION)  
(NO. 2) (1997) BILL**

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. Vice-President, I beg to move that a Bill standing in my name, entitled an Act to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the year ending December 31, 1997, be now read a second time.

Mr. Vice-President, this, as you know, is a money Bill. It is a Bill in which a number of documents have been circulated. I must admit they are a bit voluminous and I do hope that by providing these large volumes that is not intended to—no, I am sorry, this is 1997. It is too late to budget for 1997—to swamp you, but it is really intended to provide as much detail as we possibly can. I would be happy, during the course of the debate, to listen to any questions that anyone may have and to provide such answers in winding up.

Very basically, Mr. Vice-President, you will know that this Bill was debated when the other place met on Tuesday, April 14, 1998, and it considered an increase of \$698,211,989 in the 1997 Appropriation but it noted as well, a transfer of funds totalling \$111,452,599 between subheads under the same heads of expenditure. Given the increase of \$698,211,989, the 1997 Appropriation will now be \$13,275,539,659.

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Mr. Vice-President, I will just quickly, in the interest of time, browse through the Heads of Expenditure that have been increased.

Head 1	The President	\$200,000
Head 18	Ministry of Finance	\$594,940,302
Head 19	Charges on Account of the Public Debt	\$58,485,687
Head 25	Ministry of Agriculture, Land and Marine Resources	\$44,586,000
	TOTAL	\$698,211,989

Mr. Vice-President, with respect to the question of the President, \$200,000, at the time of the preparation of the budget, we were not informed that the President had intended to visit a number of international conferences. Consequent upon receiving his travel itinerary for the rest of the year 1997, Cabinet agreed that the President would proceed on a number of these international conferences, many of them to do with the whole question of the jury system world wide. As you know, Mr. Vice-President, the President is very much at the forefront of international juris and jurisprudence. Consequently the provision that was made in the 1997 estimates was inadequate to meet the actual expenses that the President incurred during the year 1997.

Mr. Vice-President, certain expenses incurred by the President were accurately paid for by the Overseas Missions and it is now necessary to provide supplementary funds to bring to account an expenditure of \$155,000 which was incurred on his behalf by the Overseas Missions. Furthermore, an amount of \$45,000 was also required to bring to account Overseas Missions vouchers relating to the purchase of computers and other related equipment which were bought by the Office of the Consul General, New York, on behalf of the Office of the President. I, therefore, ask this honourable House for supplementary funds in the sum of \$200,000 needed to bring to account outstanding expenditure for the year ended December 31, 1997 on behalf of the President.

Mr. Vice-President, under the Ministry of Finance, the sum of \$594,940,302 could really be broken down under two separate headings. It is the value of two various non-cash mechanisms that were utilized by the public sector employees in order to offset arrears owed to them by the Government of the Republic of Trinidad and Tobago in the sum of \$384,200,000, as well as disbursements under the energy sector loan for the modernization of Petrotrin's Pointe-a-Pierre refinery

in the sum of \$210,740,302. Basically, this sum was with respect to the lending to Petrotrin.

With respect to various non-cash mechanisms to be brought to account, the sum of \$384,200,000 represents various non-cash mechanisms and bonds which were available to all public sector employees in order to offset arrears owed to them by the Government of the Republic of Trinidad and Tobago for the period 1987—1994. The value of mechanisms accessed in 1997 and outstanding adjustments with respect to previous years, which are to be brought to account totalled the sum of \$384,200,000.

There are several areas that were identified by the public sector employees which were used by these public sector employees and a schedule has been provided, basically with respect to previous years, meaning the years prior to 1997. A sum of \$23,729,895 is necessary to be brought to account in 1997. Bear in mind, Mr. Vice-President, as I said, this sum of a little less than \$24 million really has to do with years prior to 1997, but which it is felt is necessary to at least book in 1997 in order for us to close the accounts.

Mr. Vice-President, the largest amount of that \$24 million is a sum of \$18,032,506 for the National Housing Authority which, basically, is mortgage and other amounts due by public sector employees who have taken advantage of this non-cash mechanism to bring their NHA arrears as current as it possibly can. Similarly, an arrears of income tax of \$5,552,000 was used by public sector employees to offset arrears of income tax that they had owed to the Board of Inland Revenue with respect to years prior to 1997.

There is a similar list in 1997 that comprises things like motor vehicle purchase loans as well as arrears owed to NHA which were used to wipe off these arrears and arrears of income tax in 1997 of as much as \$11 million. Bonds that were issued in 1997 totalled \$339,512,500. As I said, a comprehensive list has been provided detailing the previous years' amounts as well as the amount for 1997, giving the different classifications that were used by the public sector employees, the sum total being \$23,729,895 for years prior to 1997 and \$360,470,105 for the year 1997, giving a grand total of \$384,200,000, which was used by public sector employees with respect to the arrears owed by Government to them. As I said, funds were not provided in the 1997 Estimates to bring to account the value of all the mechanisms which were accessed in 1997 and to take account of adjustments with respect to years prior to that.

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With respect to the modernization of Petrotrin's Pointe-a-Pierre refinery, the sum of \$210,740,302; you recall that the Government of Trinidad and Tobago had signed loan agreements with the Inter-American Development Bank, IADB Loan 617/OC-TT, for US \$260 million and with the European Investment Bank for ECU \$38 million, and that is loan No. 1.5670. These loans were raised to assist Petrotrin in the funding of secondary recovery of oil and refinery modernization projects. They were fully disbursed, meaning that the loans had been disbursed in tranches and the final tranche was disbursed in 1997. At that time, we undertook a full reconciliation because this loan had a number of disbursements and it was not until the reconciliation had been finalized, that we realized that disbursements totalling the sum of TT \$226,034,862 were not reflected in the books of accounts.

Disbursements made from October 1995 to May 1997, were in the sum of \$226 million, but we had funds in the sum of \$15,294,561 available for offset. So whereas the disbursements that were not booked were equivalent to approximately \$226 million, approximately \$15 million was available in terms of our budget for offset and, therefore, we request this honourable House to approve only supplementary funds to bring to account the shortfall of \$210,740,302.

Mr. Vice-President, under Head 19—Charges on Account of the Public Debt, \$58,485,687. We require supplementary funds to capitalize interest accrued on a domestic bond issue. This is in respect of a loan of \$200 million which was raised in the year 1995. This loan agreement provides for the semi-annual capitalization of interest for the first these years of the loan. Unfortunately, the accrued interest for the year 1997 of \$58,485,687 had been overlooked in the budget and I now request this honourable House to approve additional sums totalling \$58,485,687 in order to book this amount.

Under Head 25—Ministry of Agriculture, Land and Marine Resources, a sum of \$44,586,000. Mr. Vice-President, supplementary funds in this sum are required to enable the Ministry of Agriculture, Land and Marine Resources to retire advances from Treasury Deposits. These advances were made to the Ministry of Agriculture, Land and Marine Resources to provide three things: to provide direct financial support to Caroni (1975) Limited, to assist in financing the company's operations to June 1997 in the sum \$30 million; to finance arrears due to cane farmers in the sum of \$11.186 million; and to meet part payment arrears of subsidies for fertilizer and pest control, a sum of \$3.4 million, totalling as I said, the sum of \$44,586,000.

Finally, Mr. Vice-President, I said there were transfer of funds between subheads under the same Head of Expenditure. With effect from August 1, 1988, Cabinet had delegated its authority to approve transfers between subheads to the Minister of Finance when it agreed *inter alia*, that a request for transfer of funds between separate subheads under the same Head of Expenditure should no longer be submitted to Cabinet but could be decided by the Minister of Finance on the advice of the Budget Division.

Based on this authority, the Minister of Finance, in 1997, approved the transfer of funds in the sum of \$111,452,599 between subheads under the same Head of Expenditure. It should be noted that transfers are approved by the Minister of Finance based on notes to the hon. Minister of Finance, from the respective Ministers requesting transfers between subheads. These transfers are requested to reflect change in circumstances in ministries and departments and a consequential reordering of priorities. It is to be noted that explanations as to the reasons for the transfers have been provided to Senators.

**2.10 p.m.**

Mr. Vice-President, all of this is necessary for us to close the accounts for 1997. A great deal has been said about the balancing of the budget and one must understand that at the time of the writing of the budget one really does not have a crystal ball. One could only assume, under normal circumstances, and making reasonable assumptions, that certain things are going to happen, which, when unfolded, could bring great discrepancies and variances to the numbers which had been projected at the time.

It is important for us to understand—as the old people say—one really cannot get blood out of stone. I am not suggesting, in the least, that I am made out of stone because I am sure one could get a lot of blood from me. However, I do know that this Government is committed to living within its means. *[Interruption]* I am not taking any such vow. My vow is to uphold the laws of Trinidad and Tobago and observe the Constitution. I do not know anything about a vow of poverty. However, I would encourage Senators opposite, seeing that they are so concerned about a vow of poverty, to take it and I would be the first to administer it. Who is going to come forward first? *[Laughter]*

Mr. Vice-President, I have every confidence that these numbers would ensure that we remain within our macroeconomic plans. The macroeconomic fundamentals continue to perform quite well. The economy is in very good shape,

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it continues to perform in the way we expect. We, therefore, encourage the people of Trinidad and Tobago to understand what we mean when we say that we wish to live within our means. In other words, we have certain philosophies which generate revenues and it is within those revenues we intend to live. Unfortunately, we cannot go back to the days when we lived way beyond our means.

This Government has also indicated that it is committed to lowering taxes which means, generally, lower revenues for the country. Lowering taxes also means that the people of Trinidad and Tobago are able to enjoy a higher disposable income. Those kinds of commitment mean that we are committed to cut the cloth to suit. It means that our expenditure has to be curtailed where necessary. It does not mean that we speak of doom and gloom. Instead, we speak of great optimism because of the track on which the economy has been.

These amounts indicate a great settlement, particularly, with respect to the \$384 million needed for the arrears for public servants. I therefore recommend this Bill to the honourable Senate.

Mr. Vice-President, I beg to move.

*Question proposed.*

**Sen. Danny Montano:** Mr. Vice-President, before I came today, I checked the date and it is, in fact, April, 1998 and we are talking, for the third time, as I recall, about the budget of 1997. I would like to remind this honourable Senate what the Minister said in his budget statement on December 12, 1996. He said:

“We propose to generate another surplus amounting to \$269 million on our fiscal operations in 1997...”

We had an adjustment to that in November, 1997, and here we are in April, 1998 and we still have a \$698 million adjustment to a budget.

The Minister presents a very reasonable argument, in a very reasonable manner, suggesting that he would cut the cloth to suit the weave. I do not understand what he means, but anyway, the reality is that in the Budget Statement 1998, as part of the information he provided to us, we had the *Review of the Economy, 1997*, which indicated that there was a provisional surplus of \$251 million. As recently as December, 1997, we were being told that we would have a budgeted surplus of \$251 million, all of a sudden we have reached April, 1998—I can subtract \$251 million from \$698 million and get \$447 million deficit. As I understand it, that is what we are now seeing. Nobody has actually said that, but arithmetically that is what it appears to be.

Mr. Vice-President, surely—with the calibre of staff in the Ministry of Finance and the Treasury Department—some time ago the Government knew of these expenses. It did not come up this month or year. It came up quite a while ago. I would venture to suggest that it came up prior to December, 1997. Therefore, before the Minister's budget statement, he must have known or somebody there must have known that there would be a deficit on the final accounts for 1997. Did anybody say that? No, Sir.

**Sen. Mohammed:** We said it.

**Sen. D. Montano:** However, we are now presented, in the Minister's very reasonable style, with a request for a further \$698 million, 5 per cent of the total expenditure of the country for 1997. That is the variance about which we are talking.

Mr. Vice-President, insofar as the year 1998 is concerned, I draw your attention to what the Minister said in December of 1997:

“On the fiscal accounts, we are targeting an overall surplus of \$445 million in 1998.

This target is based on an oil price of US \$19.00...”

Mr. Vice-President, you know what we could do with the Minister's budget. We know where we are today—we can do a little arithmetic—as regards the year 1998. He has finally come here with the truth to tell us that, in fact, he is in a \$400 million hole for 1997.

I alert this honourable Senate to what has actually happened. Of that \$698 million, the Minister indicated that \$339 million is on account of bonds being issued to public servants. That does not mean that there is a cash injection by the Government into the local economy. While there is no cash injection by the Government into the local economy, the reality is that the public servants take their bonds to the financial institutions and discount them. What happens as a result, is that savings are drawn-down from the commercial banking sector while the public servants, effectively, discount their bonds with the financial institutions. Mr. Vice-President, roughly 20 per cent less than the \$339 million—maybe a little more than that, perhaps as much as \$250 million—by way of cash is injected into the local economy. Mr. Vice-President, that stimulates consumer spending which puts pressure on the foreign exchange which translates to inflation.

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**2.20 p.m.**

Mr. Vice-President, in that regard, I would just like to draw the attention of the Senate to an article written by Peter July in the *Express* of March 26, 1998. He said, and I quote:

"...there are therefore many variables impacting on the value of the monetary relationship between the TT dollar and other currencies.

However, I don't think any of them are as important and as problematic at the same time as the factor of confidence. Confidence in the stability and the purchasing power of the TT dollar is the first fundamental for the successful operation of our foreign exchange market."

I have spoken *ad nauseam* in this Senate on confidence in the exchange rates and in the Government. Confidence in the Government is seriously eroded. When four months after the budget for 1998, the figures for 1997 are adjusted by nearly \$700 million, who can have confidence in the face of that? The reality is, and businessmen in the community will tell you, that the only way that they can buy large amounts of foreign exchange is to hedge it or to book it a week or two in advance, and the rates that are being used are in excess of \$6.30. The commercial banks are selling it greater than the \$6.30. That is the reality of the situation!

With regard to the level of the consumer spending, I referred to it some time ago. I referred to it as if we are having a party again. In fact, Mr. Peter July in his article said this:

"We are behaving as if we have won a major lottery, and we are making demands on the foreign exchange market which cannot be sustained at this stage of our country's development. We need to temper our expectations, and our propensity to import more than we can pay for with our export earnings."

Export earnings! We need to temper our appetite for foreign imports!

Mr. Vice-President, as the Minister said in his contribution, he indicated quite clearly that when taxes are reduced, that is one of the mechanisms by which one puts liquidity into the economy, and one whets the appetite of the consumer. Now, under very tightly controlled circumstances in an island economy as ours, it can work to our advantage, but it is quite clear, that the consumerist policies of the UNC administration are working quickly to destroy our economy.



I have asked on several occasions what is the Government's policy towards local manufacturers. About a year or so ago, the Minister, in one of his budget statements, expanded the export allowance to construction companies so that construction companies which were doing work outside of Trinidad and Tobago and the Caricom region will be entitled to an export allowance. In essence, for my colleagues here, that export allowance effectively makes the foreign profits free of income tax. That is the intention of it. But what about the other manufacturers? What about the sweets or the soft drink manufacturers who have been working under the most arduous conditions trying to get sugar at reasonable prices from Caroni (1975) Limited, and who have been fighting against the most adverse situations and yet, get no export allowance when they export within the Caricom region. They are also major employers of workers. There are many, many other factories, Sir. There are many, many other types of local industries that have not received that type of benefit, and yet earn foreign exchange. So that we have had virtually no regimes implemented that have really served to improve the foreign exchange earnings of the country.

As regards the management of foreign exchange, I would just like to quote from the *Trinidad Guardian* of April 15, 1998 where they were quoting from the Central Bank figures. They were indicating this:

"Foreign currency deposits have grown from US\$152.5 at the end of 1993, to US\$312.9 million in 1994...and US\$549.3 at the end of 1997.

Expressed in TT dollar terms, foreign currency deposits have gone from TT\$875 million at the end of 1993 to TT\$3,351.7 million at the end of 1997."

According to the numbers, by the end of 1993, deposits in foreign currency at local banks amounted to 9.1 per cent of total deposits in the commercial banking sector. Nine per cent! By the end of 1997, 24.3 per cent of total deposits in the banking sector are now held in foreign currency.

Mr. Vice-President, what has happened is this. What the Minister of Finance did some time ago, if you will recall, is that he levied a tax on interest income on foreign currency deposits. It was previously free from income tax, and he levied a tax which was exactly the same rate of tax as the interest earned on TT-dollar deposits. That has done little or nothing. I said at the time and I will repeat it: what is necessary is a preferential bias to hold TT dollars. Just as Mr. July in his article, suggested that we have a preferential bias to buy locally manufactured goods, so there should be a mechanism that would encourage us to hold TT-dollar investments.

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As regards confidence in the system, this is absolutely critical. I want to read something from the *Independent* of March 31, 1998, which is just one of the matters that leads to an undermining of the confidence of the people in the Government of the country and so, everything else. I am quoting:

"Without producing a shred of evidence and despite a continuing downturn in passenger traffic to Piarco that is making BWIA unviable and has resulted in several international airlines pulling out of TT and the region, the Government insists that the project is important and must continue."

They are very right. This is what they say. I go on:

"The only people absolutely convinced of the necessity to spend \$800 million for the airport upgrade are the people benefitting financially from the construction, and members of the ruling party. Increasingly they are beginning to look like the same people."

Mr. Vice-President, it hits us square in the face! There is a feeding frenzy going on! A frenzy of corruption every time we turn around! It is at the Airport, at National Flour Mills, at Petrotrin and at Caroni (1975) Limited! This has to stop! We have an abusive situation here, where the Government casually comes to say, "Let us justify and let us put our blessings on \$698 million" which has already been spent. And the workers at the University of the West Indies are asking for a mere \$3.2 million and they cannot get it! \$3.2 million! That is what is on the table. Three point two million dollars and nothing happens. The university has virtually shut down, the library has been closed, students are being locked out and not being allowed to attend classes, and not being allowed to write their examinations; for \$3.2 million! [*Desk thumping*]

In looking at the details here, the Minister explained that the Office of the President incurred travelling expresses of \$155,000 and I can understand how that would come about. But I am a little appalled at the casual statement that additionally, an amount of \$45,000 dollars was required to bring to book expenses for computers. I thought that computers had to be bought by public tender. I see it in *The Gazette* every month that I receive it, so what happened? Is it that the President and his staff found themselves abroad, and all of a sudden found they had a need for \$45,000 worth of computer equipment? Is that what happened? I find it awkward! I find it odd in the extreme! This whole business is odd in the extreme! We are dealing with \$698 million, but the Government cannot seem to find \$3.2 million for the University of the West Indies. It is odd! I have dealt with the Government bonds.

As regards Petrotrin, \$210 million on account of a loan for Petrotrin. What is the Minister saying? He did not know that it was due? He did not know about it? That nobody knew? That nobody could factor this into the numbers when the original 1997 budget was prepared? Is that what the Minister is saying? That they just forgot about it? They forget about it? Petrotrin is a most important business in this country. How can they forget something like this? The sheer magnitude of it! How can they forget that and just leave it out of the books? Then, of course, the notes here indicated that this thing happened in January of 1997, so it is brought to book in April, 1998, but we know that it took place in January, 1997 and nobody said anything about it. A year and four months later it must be brought into the accounts. The same is true of the \$58 million dollars to capitalize the interest accrued for 1997. What is going on here? I cannot believe! I do not accept that the highly skilled and competent technocrats in the Ministry of Finance did not know what they were doing! I find that difficult to accept!

Forty-four million dollars for Caroni (1975) Limited! In looking at the budget for 1998, let me just tell you that the subvention to Caroni (1975) Limited is \$153 million. Stated in the "Transfer of Funds" under Sub-heads, I noted that the estimate for 1998 is \$153 million. Mr. Vice-President, put that in the context of the University of the West Indies! Let me just advise you that according to the Price Waterhouse Draft Report on Caroni (1975) Limited, on page 22, they indicate that there are some 9,100 persons employed at Caroni (1975) Limited. That gift to Caroni (1975) Limited tallies to \$16,813 for every single employee at Caroni (1975) Limited. That is what it comes down to! One can literally shut down the entire operation and give everybody \$16,813 a year. Just shut it down! But, \$3 million cannot be found for the University of the West Indies workers. I really cannot understand it! The Minister comes with most reasonable sounding explanations, but when one looks at the facts one sees a different story.

### **2.35 p.m.**

I would draw the Senators' attention again, to this Schedule, page 12, Overseas Travel in the Ministry of Finance. Mr. Vice-President, let me just give you some numbers here. The foreign travel in the Ministry of Finance in 1994 was \$6,016,000; in 1995 it was \$8,850,000; in 1996, \$9.6 million; and in 1997 after this adjustment, \$12.6 million. Foreign travel, but we cannot find \$3 million for the workers at the University of the West Indies. It just does not make any sense;

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absolutely no sense at all. I will take my seat and I will ask the Minister for a proper explanation for these expenses.

Mr. Vice-President, I thank you.

**Sen. Rev. Daniel Teelucksingh:** Mr. Vice-President, while I understand the Supplementary Appropriation Bill, 1998 as belonging to a traditional cycle in our financial management, and that today's debate may be a little more than a formality, I nevertheless wish to use this opportunity to most respectfully share some concerns with the Government.

Firstly, Mr. Vice-President, under Head 44 in the Schedule, the Ministry of Public Utilities, the hon. Minister of Finance is reminding us of the 1997 subvention to WASA being \$259.5 million. The Minister is requesting today, a further \$1.6 million to meet payment of WASA wages and salaries in a new collective agreement.

Mr. Vice-President, I am sure the country is going to ask the question: What of all the investigations in water management and distribution and the present crisis? Incidentally, it is not only a crisis for this time of the year, but apparently we have a water crisis all the year round whether it be the dry season or the wet season. Notwithstanding all this investment: do not forget Government's guarantee of \$450 million to Severn Trent, plus that company received the industry on a platter with staff and ample water resources; do not forget the long suffering consumers who pay water rates whether or not they receive supplies; and the managers from Britain brought to Trinidad and Tobago, not one British penny; they got everything.

Mr. Vice-President, the present situation is not only due to El Niño. This dry season seems to be leading us into a very serious water crisis. Our management and distribution is nothing short of disgusting, scandalous and disappointing. This is where we are. We must, in the strongest possible way, add our own disapproval and denounce those black marketeers who during this dry season sell water, I am told, at a minimum of \$250 per load. What about those who distribute water and have preferential clients while poor citizens continue to suffer? So even in water distribution, by certain trucks, there is no equal opportunity. We need to appeal and renew this appeal to reason, to all those in our country who live in some privileged areas and who have 24-hour supplies, who keep their lawn sprinklers on and continue using our diminishing water supplies.

Furthermore, I find it disturbing that we are not providing in the course of a year—not only dry season; it is an annual concern—additional water supplies for our expanding industrial estates. Water intended for domestic use in Trinidad and Tobago is shared with industries and this cannot continue for much longer. We need new reservoirs and dams, both for domestic and industrial use.

**Hon. Senator:** And agriculture.

**Sen. Rev. D. Teelucksingh:** Agriculture, yes, certainly. With increasing industrial and agricultural demands and new residential developments in this country, Government must consider the commissioning of new reservoirs, for we are rich in water resources all waiting to be harnessed. I do not know how long again this population can tolerate a system that is so slow in correcting a 40 per cent leakage problem in our water mains and for years now we have been hearing of this very high volume of water loss. It continues, and yet the Government comes to Parliament saying an increase in terms of millions of dollars is needed.

Another item in the Schedule that I would like to bring to your attention is under Head 45, the Ministry of Social Development. The relevant section is entitled National Alcohol and Drug Abuse Prevention Programme. It is significant that there is a very small subvention from Government to this programme. It was only a few days ago that Government reminded us, in a ministerial statement at the launch of this annual Alcohol and Drug Awareness Week, of our need as a nation to mobilize our efforts towards the eradication of such substances that can destroy our society.

On this Tuesday afternoon, a day in Alcohol and Drug Awareness Week, what does it mean to us when the Trinidad and Tobago National Council on Alcoholism and other addictions warns that we are consuming too much alcohol in this country? Does it mean anything at all to us? We as a Government would launch this week as it were, and commend the observance of this week to our population. We can criticize the council if we wish, for they have discovered in their own findings that in a population of about 1.3 million persons, there are approximately one million drinkers, consuming one and a half million gallons of rum, three and a half million litres of beer, seven million litres of stout. I quote from their report.

Mr. Vice-President, what we have noticed, too, is that the council could not include wines, gin and whiskey, maybe because that was difficult to assess. I presume it is because they were not invited to state functions and the celebrations of the patricians; I did not say politicians.

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Mr. Vice-President, during this awareness week and in direct reference to this matter that the Government has included under Head 45, I would like to make three suggestions. The first one is that Government ensure that the breathalyzer be in the possession of every police officer in his or her road patrols with a view to keeping all intoxicated drivers off the road. That is very important; it is not only launching the week. Secondly, since we are advised by the National Council on Alcoholism, and we can certify this, that in a 100-yard strip in Port of Spain, 400 bars could be found, that Government move to prevent persons from consuming alcohol on the nation's streets. If it is so easily available within a 100-yard strip to find so many bars, then why do we—it is a very common sight—allow particularly our young people, to walk the roads with their beer bottles in their hands? They drink anywhere with so many bars, beer gardens and snackettes around Trinidad and Tobago; drinking on the streets is taking these vices too far.

Thirdly, Mr. Vice-President, as the Government has launched this week for us, I want to suggest with no apology, that Government should remove from all state functions, the consumption of alcohol, be it governmental receptions, the cutting of a ribbon to open a bridge or a road or at the opening of any public building. Mr. Vice-President, certainly we are free to have our alcoholic drinks in private, but when the Government sponsors and approves that in public, you lose your moral authority to give any kind of leadership in a programme such as this week proposes.

Mr. Vice-President, on another small but serious matter on the Schedule before us, matters pertaining to the increase in our allocation to Caricom. To the Caricom Secretariat, we are reminded in the documents laid before this honourable Senate, that our allocation to the Caricom Secretariat is \$10.6 million and the Minister asked us to increase it to \$12 million.

Mr. Vice-President, not only in terms of financial support are we very dependable in the region, but our image as leaders in Caribbean integration can hardly be questioned. Trinidad and Tobago, for decades, has been a sort of social melting pot for Caribbean peoples. Hundreds of our peoples are living and working abroad, both in the Caricom region and beyond and they continue to be proud nationals. Government has employed, I noticed—Government with a capital “G”, to use Senator Daly’s designation so often—countless non-nationals as consultants, and highly paid at that. We have practised integration and supported freedom of movement of skilled personnel and professionals within the region. I

therefore, most respectfully, urge Government to reconsider its position and renew that work permit of Barbadian journalist, Julian Rogers. [*Desk thumping*] It is in keeping with the enlightened position of this small nation which has already taken a place of prominence in the newly emerging Caribbean village.

Mr. Vice-President, I close with a reference to one of the documents laid before us: those explanations for increases with adjustments for public sector employees which include scholarship funds, final year student loans and cess loans. The details are in the document before us under Head 18.

With Government's investment in improving the qualifications and skills of both public sector employees and, of course, all our citizens, our students and all who work within the University of the West Indies community, we are all very concerned today that the wage dispute regarding the non-academic staff, for want of a better designation, is taking so long to be resolved; almost three weeks and on the verge of final exams for so many of our sons and daughters.

Mr. Vice-President, we cannot afford to allow this kind of disruption at the institution to continue further. Those examinations and classes are vital to all our students. Not only them, but as I was saying, to all the academic staff, non-academic and all those who belong to the total UWI community. This is one time I will appeal for all those interest groups, all concerned, whether they be the unions, the strikers, the university administration, that they should all get together to find a solution to this problem that has been protracted for too long.

### **2.50 p.m.**

**Sen. Prof. Julian Kenny:** Mr. Vice-President, we know only too well that we are dealing with 1997 and we are making adjustments. We have heard the 1998 budget and I would make a few remarks relating to Caroni (1975) Limited—it is not an oblique connection—about the environment. I say particularly, because one of the things which featured in the budget presentation for this year was this major—I assume—approach or attack, on the subject of drug addiction. I am not talking about cocaine or marijuana, but alcohol and tobacco addiction. I think that Sen. Teelucksingh has exhausted, not himself, but the subject of alcohol addiction but I refer to the budget and the reference to the control of advertisements for tobacco.

We have to be very careful and thorough on how we approach the subject of controlling drug addiction. Sen. McKenzie has just shown me—I do not know if I

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am permitted to bring objects into this honourable House—something which is called a sucker bag, containing a liquid, sometimes it is red, yellow or other colours, and this is actually being marketed. One sees children going along the road sucking these little coloured bags and they are, in fact, products which are highly addictive, that come into the mouths of children. Wine is being sold quite openly in sucker bags. Sen. McKenzie is a Senator of impeccable integrity and I am sure she is not making up a story.

I mentioned this business of addiction. The Government has promised in its budget statement to do something about one of the powerful things of tobacco addiction. I am very concerned with our environment. You drive around the savannah coming here and see the Grandstand, which I assume belongs to the state, and there it is, as large as life, a banner headline which says Craven A, beside Du Maurier. If you are going to regulate tobacco addiction, you have to take a few harsh measures and people would eventually understand. That is only by way of introduction to the subject of Caroni (1975) Limited and the environment.

I know they are spending a lot of money on pesticides and so forth, but I am glad that the hon. acting Minister of Agriculture, Land and Marine Resources is present with us. I am making an observation about matters which I raised earlier on the subject of what we are doing to our natural environment. We are spending millions on the Environmental Management Authority, and I see here in the supplementary funds for the Ministry of Agriculture, Land and Marine Resources there is a mere \$44 million.

Sen. Marshall often reminds us about a little aphorism of his, "what does not create value destroys it." This year we knew that there was going to be a horrible dry season and that there was a major deficit of rainfall during September, October and November. I heard on the radio on the weekend at my little retreat in the north coast, that the Ministry of National Security and the helicopter arm are training helicopter crews in the use of bambi buckets and they are going to pick up water, fly over the northern range and put out fires. They are also going to Nariva Swamp and put out fires. This is April; it really is quite remarkable! The ministry must have known that there was going to be a horrible fire season and should have taken the steps then, that is in December, as it prepared for the onslaught.

We also heard, not long ago, that somebody was considering airplanes to fire bomb the fires. I do not know if I am permitted to use the word lunatic—*[Interruption]*—thank you, Sen. Daly—but you do not in the middle of a fire



season say, "Oh! We are going to bring these planes from Canada, pick up fresh water and we are going to put out the fires." You cannot use sea water to put on the land. When you are managing the natural environment—and the Ministry of Agriculture, Land and Marine Resources is responsible for managing it, this is the line ministry—you have to plan in advance. I am afraid that the Minister of Finance's bill to clean up the mess of flooding related to that is going to be far greater. He is going to have to make adjustments to his 1998 budget next year as we do the accounting exercise.

I now turn to a point raised by Sen. Montano and Sen. Rev. Teelucksingh. I am, frankly, a bit afraid of even mentioning the University of the West Indies. For some reason I appear to be something like a red flag, in that, if I say something, immediately, one of the administrators gets on to one of the newspapers and makes quite remarkable allegations about me, aimed at my professional record. Nevertheless, I would make just a couple little observations. We are told that when the university budgets for its triennium, it does not budget for increases. This is the official word which has come out. I assume that it is correct, although sometimes when you read statements coming out, you wonder about the sanity of people making these statements. Nevertheless, I assume there is a certain allocation made to the university and that in due course certain adjustments would have to be made and that in the coming year when we do this exercise again we would do the corrections.

I am not sure of the figures, but one of the bargaining groups has got a 27 per cent increase, which I think is the figure being bandied about. The cost is about \$26 million, Mr. Minister of Finance. This one bargaining group has got this increase which is going to be reflected in adjustments we would be doing next year. I assume that wiser counsel would prevail and the other bargaining group would get 10 per cent which would be reflected in the adjustments to the 1998 budget.

Thank you.

**Sen. Dr. Eric St. Cyr:** Mr. Vice-President, in a certain respect, Sir, the Bill before us is a tidying up measure for the accounts ended in 1997 and much of it consists of accounting adjustments, transfers and so forth. I know that these have been correctly done arithmetically and so I do not want to spend very much time on those details.

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I do, however, wish to make some broad observations, the first being on the adjustment to the Ministry of Finance \$594.9 million, the bulk of which goes to make salary arrears payments and to say that, in the nature of budgeting one cannot put in a budget the anticipated amount at which one would settle. Thus, I would think that this amount for the arrears of salary of \$384 million we can discount, that is, take out from the adjustment. In other words, even though you knew beforehand that you were going to make that adjustment you could not reasonably telegraph that information forward. Having said that, we are left with a deficit of \$698 million, less \$384 million which is of the order of close to \$300 million. I am very much concerned that we should be getting into deficit budgeting at all, because that is inflationary. I caution and advise that as far as possible we should budget in such a way that we always generate a surplus. I know the hon. Minister of Finance has been careful to say that we must live within our means, and I wholeheartedly support that perspective.

The second matter I would make some brief remarks on concerns the allocations to Petrotrin and the increased allocations to Caroni (1975) Limited. I would address a few remarks to, what I call, declining industries. We have not been very good at dealing with declining industries, but they are a fact of life and we have to learn how to get out of them and get into new industries.

**3.05 p.m.**

If we do not, then we could be stuck with losers that drain the Treasury quite dry.

I am not entirely convinced that the investments in Petrotrin are, in the long term, very wise investments. We once were a major oil refining centre for the Americas but I think we lost that position probably 20 years ago. While we do have resources of oil and what is left of an ageing industry and a number of workers in that industry whose interest we must look after, I think if we are looking in the long term we would probably not be thinking that that industry is a place where we should make major investments.

The case of Caroni (1975) Limited is very well known. I have spoken on that before. The intention in the 1997 Budget seemed to have been a small allocation of about \$14 million to Caroni (1975) Limited. The message telegraphed thereby was that this company was to stand on its own feet, earning the income which it disposes of. We saw there a supplemental appropriation of \$44.5 million. If I were to add to that the \$153 million allocated in 1998 I think what I am seeing there is a change of policy.

That is the central issue that concerns me about this Supplemental Appropriation Bill. What we see in the adjustment that is being proposed suggests a change of policy or what the government's policy is on various matters. When one is preparing a budget before the fact, one can disguise policy but when it comes to closing the books, in other words, when you are up to the final counts you therefore, by the transfers you make, have to telegraph really what you are doing.

I want to take, as an example, the Ministry of Education. I want to look at a couple of the numbers on page 24 of the long sheets. I see that there is an increase in Item 2 - Goods and Services—marked "Electricity", \$2 million. I see an increase for water and sewage rates, \$6.249 million. I know what is happening there, namely, we are equipping our ministries to pay their utility bills because the utilities have to be paid for, one way or the other, and correctly, we are linking payment to users. What is interesting here though is when I look at the places from where these moneys were taken in the same vote.

I go to page 28. Again, Ministry of Education, and I see there that the decrease has been in book grants to necessitous students attending public schools. A reduction of \$4 million and I see just lower down National Training Agency Limited, a reduction of \$10.7 million. In other words, what I am seeing is that we are giving a measure of robustness to our policy that the utilities must be paid for by those who use them. That is good. But the question is, at what expense? Where do we squeeze to make this happen? I see that we are doing it in a way which I am not sure is in the best long term interest of the country since the human resource of any country is its critical resource. If we are going to train our people in necessary skills—that is the National Training Agency—and support the educational system at the lower levels, the less privileged parts of the society where we give subventions for books and so forth, I really doubt whether that is where we should be pinching to support the utilities.

I am making a general point that is contained in the transfers implicit policy shifts which a careful reading of the budget adjustments transmits to us.

Let me not go at great length because I know that this is a tidying up exercise and I know that our books must be balanced. But let me say that the accounting balances, important though they are, the far more important issues are the economic policy issues that we pursue and, on that score, I would like to ask a number of questions. The first is, will we, as a policy, pursue deficit budgeting? I

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know that my colleague, Prof. Sen. J. Spence, and I have discussed this matter and there are times when it makes sense to pursue deficit budgeting but that must be the exception. Certainly, the economy is doing reasonably well at this time. We are prospering so I do not think at this time there is a case for deficit budgeting which basically is inflationary since that injects what the technicians call high-powered money into the system that is not matched with a supply of goods and services.

The second matter I would like to refer to is the matter of the whole public enterprise sector. I believe that we need and must very soon have a full debate in this country as to what our economic policy would be concerning the ownership and use of business enterprises in this country. I observed from a reply given by the hon. Minister of Finance on April 8, 1998, in another place, to a question posed there, that he said that, based on a preliminary assessment, Government estimates it will raise \$461 million in 1998 from the divestment of state enterprises. That is a pretty neutral, factual statement. I want to take issue with the next sentence which says the proceeds of the divestment would go towards general revenue and will not be utilized for any specific purpose. I rather doubt whether that is good economics; whether we should liquidate capital and bring it on current account. I really think that we should have, perhaps at another time soon, a fuller debate on the broad economic policies that the nation is pursuing since, in his competence in keeping the books tidy, we do not often get from the hon. Minister of Finance, a clear, articulate set of policy directions for the whole economic system.

My final comment, and I would have wished or preferred to have made it when the gallery was fuller. [*Laughter*] I know that at least two of my fellow Independent Senators before me referred to the university matter. Deficit financing is one source of inflation. Another source of inflation is wage push. As the economy picks up one has to be careful that one does not get an inflationary push from the wage sector or from wage demands. However, this must be carefully balanced. In other words, as important as not allowing wages to go out of hand, is not losing production. In other words, one has to balance the benefits that would accrue from the management of wage settlements within a certain level against the disruptions that come with holding them there. I would certainly think that in the case at hand the magnitudes are such that I wonder whether we have not lost more credibility in how we manage wage settlements than we have gained in the number of dollars we would have saved. I would—without appearing to say whether 10 per cent is yes or no or six per cent is no or yes—suggest that we must bring the fullness of our wisdom to bear and not to allow a case which could be reasonably

settled to bring about in the country an atmosphere of industrial strife. I would leave it at that.

Mr. Vice-President, with these brief remarks, I thank you. [*Desk thumping*]

**Mr. Vice-President:** Before proceeding any further with this debate, I thought it would be appropriate to bring to the attention of the honourable Senate and speakers that would follow, Standing Order 35(1). I would read it:

“...Senators shall confine his/her observations to the subject under discussion.”

I have tried to interpret this Standing Order for the afternoon very liberally but I have found that there has been an inclination towards abuse of this. Therefore, I am asking that subsequent speakers take note that the Bill before us is, in fact, the Supplemental Appropriation Bill and I am going to interpret this Standing Order a little more strictly. I want to keep you focussed on the issue before us and I will not entertain any extraneous or irrelevant issues in the debate henceforth.

### **3.20 p.m.**

**Sen. Muhammad Shabazz:** Mr. Vice-President, indeed I take note and will be guided. It is very important at this point that I take note.

Mr. Vice-President, the figures coming to us here in this budget are indeed very important. It is important because this budget is a continuation really of the direction we had taken when we debated the budget. In my last contribution, I put forward certain things to this Government. *Hansard* will show that they were told that they would have problems with certain issues. The issues were the Unemployment Relief Programme, Caroni (1975) Limited, the Water and Sewerage Authority, Tobago, Carnival. And, again, when we look at it at this point, we are seeing—let us take them one by one.

Caroni (1975) Limited—I remember asking what really is the difference between Caroni (1975) Limited and the Unemployment Relief Programme? The hon. Minister of Finance got up and tried to explain to me what was the difference. We tried to let them know that Caroni (1975) Limited really was—and they knocked the desks; they thumped the desks; they made a lot of noise—like their constituency, as opposed to the Unemployment Relief Programme.

We see in this budget \$8 million advanced for the Unemployment Relief Programme. In this Bill before us \$8 million advanced to the Unemployment Relief Programme and we see Unemployment Relief Programme workers on the streets. It is in this context that I would like to see the budget. Unemployment Relief Programme workers are still calling for pay from last year, money that they have not been paid. We would like to know whether this \$8 million will pay them.

Maybe the Caroni (1975) Limited base is larger. We see very generous proposals for Caroni (1975) Limited, \$150 million plus \$44 million. We talk about whether Caroni (1975) Limited should go on its own; whether it should be self-sufficient; when will the Government allow that to happen? When will they take it into that stage and do we have to continue paying money? How long will we have to continue to do that?

These, to me, are indeed relevant issues. They are relevant because what we are listening to—and I made that suggestion in my contribution during the last budget debate—is one thing being said. We come to the Senate, we say something else and then when we leave here, something else seems to be done. Or they come back and say what we are saying and ask us to approve it.

One of the reasons why it is an important consideration is because when this Senate passes a Bill or anything, it is not only the Government that is doing it, it is everybody sitting in this Senate that is responsible for passing it. So we must say what are our sentiments and our feelings. The thing that we look at though, is it takes a simple majority to pass it, so that whatever happens—and this is what seems to be the important thing or the criteria that the Government uses—regardless of what happens, the simple majority will pass, okay; it will go through. So whatever we present, that is fine and that is fine enough. That is a situation that we cannot take on this side. We cannot deal with it in that way.

I have looked at the Ministry of Community Development, Culture and Women's Affairs on the question of moving money from one head to the next. There were two things last time and I have the *Hansard* of the Minister's contribution where two important points were raised.

One, when I told them about the performing centre, they said this is why Sen. Shabazz has not seen a building started as yet because they are looking at adequate space. They put money into the structure of the work and all sorts of things like that, but we have a proposal to start a performing arts centre and a cultural performing centre and that will be started by the end of this year. Whether that will

be done, yes or no, we do not know. It is in this light that we must speak on this side. Yes, we are concerned with the figures, but we are also concerned about what they are saying to us about what is happening and what is not happening.

When they say it to us, it does not happen, then they come and ask us to approve it, to pass this money and pass money for that. When we say it, they say if we do not do it, we did not listen to them; we did not help them; or we did not assist them. The point is, if money is allocated for a cultural centre, that is what must happen.

The steel orchestra—point number two. The sum of \$2.8 million has been allocated and then we go a little further in this and, based on my contribution, this was the answer from the hon. Senator. She went on to claim that we are now seeing what is happening with carnival. Where is money in culture going to? We are now seeing what is happening.

“I must say that there has been unprecedented co-operation and goodwill...”

I told them that they will have problems with Carnival in my last contribution to the budget.

“Trinidad and Tobago Unified Calypsonians Organization (TUCO), Pan Trinbago... We have found a willingness to co-operate among all these groups.”

**Sen. Mark:** Mr. Vice-President, could the hon. Senator indicate what he is reading from? What date?

**Sen. M. Shabazz:** I said it you know, Mr. Vice-President. If the hon. Minister was listening, he would have heard that I said it came from the *Hansard*, the speech of the Hon. Minister of Community Development, Culture and Women's Affairs in the last budget debate, in reply to what I said.

**Sen. Mark:** What date is that?

**Sen. M. Shabazz:** This is dated 97.12.30. I believe it is the 30.12.97. This was the reply. She went on to show that it was a newspaper.

“...what I think is the appearance of confusion. While, between us we talk, consult, negotiate, we see where we are to go and we have agreed, but when one reads the daily newspaper one sees confusion and all kind of chaos being created even before the changes are put in place.

Again, these people have their own agenda.”

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We are seeing they are asking for millions of dollars. The people are now saying that they have to propose to win a lottery to pay their bills. All of a sudden there is confusion. All of a sudden, in the carnival arena, there is confusion.

It is in this light that I will continue to speak, because there seems to be a deception somewhere. The deception is not with the figures, not how the money is going to be spent, but how the figures are presented. We were told last year when the same carnival thing was being launched—I just want to make this point. We heard the Prime Minister, the political leader of the party, say he was not going to the Craven A launch because he was against cigarettes, but went to the Du Maurier Chutney Soca Monarch show. We do not know if what they are saying to us is the correct thing. I want to go a little further, Mr. Vice-President.

**Sen. Mark:** Leading to? What is the relevance of it?

**Sen. M. Shabazz:** The relevance is when you are saying things to me and when you bring points to me, I am not sure what are the points. I take the opportunity to answer it, whether you are serious about it, or whether you are misleading.

**Sen. Mark:** But what is the difference between?

**Sen. M. Shabazz:** Mr. Vice-President, ask him not to start that today, please, because we did not interrupt any of them when they were talking.

I want to go a little further. Look at what is happening under sports and culture. These are people who say that they care.

On page 20, under the Ministry of Community Development, Culture and Women's Affairs, they need to get \$6,156,065. They need that to make the Ministry run effectively so they are going to transfer funds. This is where the funds are transferred from:

“(a) expenses were not incurred as anticipated in respect of the Export Centres;”

So money moves from the export centres, a people-oriented type programme to help the people, or what we call—probably the people who need it—the people at the lower level in the society. Listen again from where they are moving money:

“(b) several positions on the Boards of the twelve (12) Regional Complexes remained unfilled for part of 1997 because the complexes became functional on various dates. The full quantum of expenditure anticipated in respect of the Complexes was therefore not incurred;



- (c) the Advanced Training course of the Geriatric Adolescent Partnership Programme (GAPP) did not commence in 1997 as anticipated;”

You see where the moneys are being saved from, on the programmes that are important and beneficial to the people:

- “(d) several projects under the Community Action for Revival and Empowerment (CARE) Programme for which approval was granted, did not commence in 1997;
- (e) the level of activity of the Small Business Development Company in 1997 resulted in lower than budgeted expenditure; and”

You see where the money is being saved from, Sir:

- “(f) the rescheduling of the 2nd cycle of Retirees Adolescent Partnership Programme (RAPP) from 1997 to 1998 and the integration of the Neighbourhood Watch Programme with the Community Police Unit of the Ministry of National Security. Therefore the 1997 allocations for these programmes were not utilized.”

They are doing that to pay:

- “...the shortfall in salaries and COLA;”

I do not know if the Minister did not see or did not know what those things would have been.

- “(b) provide for contracted services for the Domestic Violence Unit;”

Maybe a good thing, very good, but could they not have seen this and understood that?

- “(c) meet payment of bills for the Domestic Violence Hotline, MTS, T&TEC, WASA;
- (d) meet payment of upkeep, maintenance and security for Mille Fleurs occupied by the Women’s Affairs Division;
- (e) implement improvement works at the Queen’s Park Savannah;
- (f) to retire an advance of \$2 Mn. made from the Contingencies Fund which was authorised to meet expenses in connection with preparation activities relative to the 1998 Carnival Celebrations; and

- (g) purchase property known as Naipaul House to form part of Trinidad and Tobago's National Heritage."

Maybe very good things, but when you see where this money comes from and going to some things like the Naipaul House—maybe we need that, but we feel that the geriatric programme, the other programmes that the young people are involved in to help build them, should have been started and should have been put into effect to help the young people of Trinidad and Tobago better develop themselves.

It is not only about figures—Mr. Vice-President, I take your ruling—it is about attitude; it is about behavioural patterns; it is about how they see people operate and how they feel people will operate, because everything is “easy go and easy sail”; this Bill will be passed in any event. It is more than that. Mr. Vice-President, where are we going?

We have looked at the question of WASA. WASA is an important thing in the sense that when we look at what this Government's attitude to WASA has been, it has been the ruling, or the running of this Government. They had an election campaign that said they wanted no part of Severn Trent. They went to Severn Trent and signed the agreement after they came into power. For two years, we were under the impression from the Minister that Severn Trent was going good. It was not until the Prime Minister spoke that we understood—

**Sen. Mark:** Mr. Vice-President, on a point of order. I think the hon. Senator is misleading this Senate. The PNM government signed that agreement. Do not accuse this Government of signing that agreement. [*Desk thumping*]

**Sen. M. Shabazz:** I beg to say that they endorsed it; they agreed with it; they said it would work; and listen, they went on for two years letting people believe that WASA was going properly; all was correct. The minute the Prime Minister spoke about WASA, what we now see happening is that all of a sudden WASA is no good. For two years, they ran and operated WASA and they are now saying that people must go. Now, what is happening, under most of the provisions here, we see a lot of money to be transferred, some to pay WASA bills; to pay utility bills and to pay WASA.

What is happening with WASA and what is happening in the country at this time is a very serious thing. They could blame it on dry season, El Niño, but we are also blaming it on that last two years of bad and improper management they were responsible for in WASA.

Like they spending Trinity dollars and not Trinidad dollars. Do not get caught up in that Trinity dollars situation. [*Interruption*] Yes, they are spending Trinity dollars and not Trinidad dollars. Trinidad dollars that are going to be allocated to places must be well thought out. When a budget is committed here, it must be well thought out; it must be put forward. Yes, the oil price is dropping. We understand that, but you must take the Trinidad dollars that you spend, seriously and not as though it is play money. It is indeed serious money.

The question of Tobago. What is the allocation to Tobago? Maybe in Tobago, there is a regional health system. It is a pity I am not in another place because in another place, I might have had support from your side to not support this Bill. I feel I would have had it, although I do not want that kind of support. [*Laughter*] But, Mr. Vice-President, let me get back to the Bill.

**Sen. Kuei Tung:** That is a PNM thing!

**Sen. M. Shabazz:** That is a Lasse thing.

### 3.35 p.m.

We spoke about URP; we spoke about carnival; we spoke about the problems that they will have. We looked at the allocations and we are concerned where some moneys are coming from and where they are going to. We looked at all those things. We are seeing that we will go on to other ministries, the Public Utilities and the question of how are they going to move their money; Social Development, what is going to happen inside of here. If we pass this Bill, the question of no taxes.

This is an issue the Government does not like us to speak about. Under the Ministry of Works and Transport, they said in the last budget that there will be no paying of licence fees and in order to deal with that we will take money, put the money in the gas so that we will make up for the non-payment of licence fees in the gas bill. We are now having garages to which you will send your car, pay a fee at these garages, so it is better to charge the people the licence fee rather than add it into the gas and after doing so you now have garages. We are a bit concerned about who are the owners of these garages. Maybe a list will be published and when that list is published, we will see something that we have been saying on this side all the time, that that list will be made up of where we have to pay money under this and to the garages. That list will be made up of people who are indeed, very, very close to you and most likely your friends and—

**Sen. Mark:** You are anticipating.

**Sen. M. Shabazz:** It is a good anticipation because it has always happened that way; your friends and party supporters.

We will talk a bit too—and we spoke about the question of the Government, on the question of alcohol control—on the question of drugs control. All of that indeed, is very important. It is important because as somebody said before, if we are going to run a nation that is vital and important, it is important that we look at these things. How will we control it? Where will money be spent? We see more alcohol being taken in the country now and we want to understand what type of control there is. Is there a control mechanism working and working in the manner that it should be?

I am seeing under the Ministry of Education, \$15,810,000, but when we look in the bill we see \$6 million added to supply water. I wish the goodly Minister would explain why under Education, the WASA bill went up by \$6 million, or \$6 million is needed to pay and why is that? Maybe it might be for schools; it might be a good cause, but we need to hear from the Minister why \$6 million.

In going through this document, I had a big laugh and I wondered what this Government is really about. Sub-Item 27, page 12—do you remember a government that said all we did was world class travel? The sum of \$6,608,432 in overseas travel; that is what Government is asking for again to add to a further \$6 million that was already allocated. So we are talking about an increase of \$6,608,432 to go to travelling. They are the people who were laughing at us about travelling, saying that we were overtravelling. The sum of \$12 million could take everyone in this Senate around the world about three times; high flyers.

They told us about overtravelling, they came down hard on us about travelling. They do not want the national public to understand what is happening. So you come in here and want us to approve. If I had my way, I would not approve that extra \$6 million for travel. It has to be if you are spending, you have already allocated \$6 million; why do you want \$12 million?

The issue is relevant here to the national community. Do you know what makes it relevant? All these trade unionists on that side—some of them have become pseudo trade unionists; I am certain of that. I must say that the Minister of Public Administration and Information no longer takes—this is my feeling—his trade union feeling as much as he did because the last time I spoke I told him to look at what is happening at UWI. Do you know we now have a situation at UWI

where students who wore the Oilfield Workers Trade Union jersey to go on campus are thinking of a constitutional motion because the university is thinking of debarring them from sitting the exam? Where are the trade unionists? Then when you understand that what they are asking for is \$3 million more to meet their commitments and salary commitments, you are seeing here \$6 million more. Give them the \$3 million from the \$6 million, cut down on your travelling and use less travelling time and give them the \$6 million. Is that asking this Government too much? I hope when we get to committee stage they take out that \$6 million, Mr. Minister of Finance.

**Sen. Mark:** It would not reach committee stage.

**Sen. M. Shabazz:** Or, it would not, but when it reaches some stage you reconsider before you make a final presentation and take out this \$6 million. Give the University of the West Indies \$3 million and keep \$3 million for yourself.

**Hon. Member:** That has already been spent.

**Sen. M. Shabazz:** Well then, we are in trouble. That \$6 million was spent already. If that is so I would like the Minister to tell us. I am seeing that there was a savings of \$10 million here. I would like the Minister of Finance to explain. He said they did not use the overdraft from the Treasury, but I am seeing under the Revised Provision, \$2,205,568, and it was explained that went to interest. I would like an explanation from the Minister for that.

Mr. Vice-President, the whole question on this Bill is, again, even though we look at the figures and they are important, we have to look at the commitments and the attitude. Somebody brought up again, the question of the President and the computer even though we are not discussing that. We feel that it is necessary and we do not want to go into what really happens with the President. Why had these things not been seen and budgeted for up front?

A lot of the other changes, maybe as you said, the question of the oil money dropping again might have made some of these differences. Are we going to come back here again with some other kind of provision or is this going to be the final provision the Minister is asking for to take him through the year or through the next few months? It is important to note—I told you that before—you may say no, but note that, indeed what you are thinking about is changing the budgetary year so that you would get some space before this year finishes, so that you would be able to bring a new budget in the year because you may not be able to go the full distance with this.

**Sen. Mark:** [*Inaudible*]

**Sen. M. Shabazz:** Yes, it is a deception; it is the money that you are asking for 1997. Next year you are coming here to deal with this year. What is going to happen for this year? This is what we are asking. We understand that it is so because of the problems that you have had. What is the guarantee that the problems of this year are not going to come back to us next year? We think it is going to be worse. We think when you come again, you are not going to learn from your mistakes and it is going to be worse.

Mr. Vice-President, my final say on this Bill is that, yes, it seems as though this is going to be passed; you are going to get your money to spend; it seems there is hardly anything that we could do; or the money that has already been spent is going to be approved, but we ask them to learn from their mistakes. Take this year as a learning year; see that when they return at the next period for this year that it would not be like this. Even if it is going to be like this, if the Minister is given the opportunity to present the next budget, at the rate he is going, that a budget is presented that would not have to put us through this again in the next period.

Mr. Vice-President, I thank you.

**Sen. Vincent Cabrera:** Mr. Vice-President, thank you for allowing me to contribute to the Finance (Supplementation and Variation of Appropriation) (No. 2), (1997) Bill. What is before us is simply the question of adjustment and transfers as far as I am concerned.

Mr. Vice-President, I feel it necessary at this point in time, to draw to the attention of some of the Members of the Senate, that this is a money bill. As the *Students' Companion* tells us, the Senate cannot interfere with a money bill. Some of us seem not to have read it and some people do not seem to understand the budgetary process.

Mr. Vice-President, there are people on the Opposition Benches who are quite familiar with this process. In fact, they indeed went through it when they were in Government for so long a period of time. But today we have seen the "gallerying" of certain people because there was a gallery; people who are normally very quiet were "gallerying". They did not appreciate the accounting and tying up exercise which the Senate is presently engaged in, for we are merely looking at the book figures referred to and seeking to ensure that our accounts are properly balanced. I felt it was necessary to make that statement.

Mr. Vice-President, all capitalist states are by nature consumerists; all except for the command type capitalist states like Pinochet's Chile. So we have to be careful when we come here and accuse the Government of being a consumerist Government or following consumerist policies. In terms of the broad economic policies, obviously most Third World countries are locked in to certain mechanisms and it is for the Minister of Finance to give an overview of what this Government considers to be its overall economic policy.

Mr. Vice-President, I want to continue with the question of the Unemployment Relief Programme; a political whipping horse of every political party in Trinidad and Tobago. Because of the PNM's corruption and because of the ineptitude of the PNM, as far as this programme is concerned—whether it was called DEWD; remember this did not just take place yesterday, whether it was crash programme, DEWD, LIDP whatever—it has become the most difficult public programme to be managed. I am certain if even you take the best brains and minds in the world, and bring them to Trinidad and Tobago to manage that URP, if people are honest on that side, they would understand and agree that it is a most difficult issue with which to deal.

Without getting into an analysis of the URP, I would like to assure the nation that the Government is doing its very best with that economic dragon called URP. The Government understands there are vulnerable elements in our society which need a certain kind of assistance. The question of accountability has been introduced and there are some people who are against that. Let me go on.

The Senator is not here now, but he was speaking about the steel orchestra and the question of bacchanal, as he saw it, the confusion of carnival. I want to say that the panmen never had it so good. They are now running their own show as they have been clamouring for years.

### **3.50 p.m.**

Of course, any event as large as carnival would have problems. In fact, many a calypsonian has said that carnival is bacchanal and we cannot really have a carnival without bacchanal. To come here this afternoon and attempt to use the problems of the pan movement at this present historical juncture is, in fact, unethical, as far as I am concerned. What has happened this year is nothing compared to the PNM days. Scrunter's "Woman on the Base", recorded a boycott of every pan side of the Panorama, except for Desperadoes. That happened under the PNM. If one is talking about bacchanal, one must look at the real bacchanal. I

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would like to ask Sen. Shabazz, if he were, in fact, a Senator in those days, would he have attacked his party for what took place at that disaster of a Panorama?

I want to touch on the question of Caroni (1975) Limited, and to say that no one must attempt to fault this Government for Caroni (1975) Limited, because you will fail if you so do. The hon. Prime Minister went into the offices of his former trade union, the All Sugar and General Workers Trade Union and was critical of what was going on at Caroni (1975) Limited. In fact, he read the Riot Act for all involved in that company, and dealt with the economic realities with which the country is faced and in which Caroni (1975) Limited is positioned.

I have always felt that for such an act to take place in the glare of the public eye, we should, in fact, commend the Prime Minister for having that kind of fortitude. After the PNM was through with this country, any successful government, I felt, would need three, or possibly four terms just for the country to turn the corner. So I agree with Sen. Shabazz, this is not really about money; it is really about attitude, political will and the consciousness that political organizations have in terms of doing what has to be done in Trinidad and Tobago.

Severn Trent is perhaps one of the greatest political sins of the PNM and history will so record it. Sen. Gabriel and Sen. Nancoo are saying that in a matter of four days they ran, like a thief in the day—not in the night—and decided that they would sign away the wherewithal of this country. We, in the UNC and the NAR as a Government, know the history of parties which have come into power, have attempted, with good intentions, to change agreements with foreign organizations and multinational lending agencies, and then face the wrath of these agencies and the people drop down and die like flies, either physically or in their wars over whether it is this or that institution which should use the limited moneys available.

If the Prime Minister and, indeed, the Government, had not reacted to this El Niño dry season, we would have been attacked. The Government reacted to it, and it is still being attacked. I was present at a certain discussion where the decision was taken to send an army of trucks to deliver water to all areas of Trinidad and Tobago. Hardly had that decision been taken, that we saw some misguided politicians attempting to mislead the nation into believing that only certain areas were getting that truckborne supply. Nothing is further from the truth.

I live in Caroni East and I know the problems that the people there have been experiencing for years in this country, for water, and they continue to suffer. In fact, at one point in time you could not open the taps in Caroni East without



getting a very discoloured concoction which was referred to as water. There is so much to be done to deal with the question of an efficient water supply in this country and looking at the question of the financial engineering that is necessary to so do.

Again, Sen. Shabazz spoke about the question of the garages. We sat and discussed this a very long time ago. It would appear that although the PNM has its representatives in the Senate and in the lower House, it does not inform its Members of what is taking place in terms of the legislative agenda, because it is quite a long time that this Senate, I remember, agreed to the question of introducing the garages to carry out these inspections, and so forth. I am sure many people could recall the horrors that drivers and owners of vehicles used to experience at that Licensing Office. I would not want to go further into that.

I would like to continue by dealing with this question of the travelling. If the Opposition was attacking the PNM while it was in Government and the Government was not able to defend itself because of poor public relations skills and because they were interested in other things, then do not blame us today. The fact of the matter is, Trinidad and Tobago, as it is situated today, cannot as a country, succeed with ministers sitting in their offices all the time. They have to travel to all parts of this globe because we are a global village, and we cannot, in fact, conduct international relations, or our relations with the rest of the world, by fax. We cannot be firing people in Hong Kong by fax. We need to travel at times to do more than firing.

**Hon. Senator:** What is the relevance?

**Sen. V. Cabrera:** The travelling that the Government members are doing simply suggests that the PNM government was an idle government. Right through the country one is seeing development. They were idle at home and it seems they were idle abroad, because they were not able to justify their trips. This Government is able to justify every cent of taxpayers' money spent in terms of foreign travel. [*Desk thumping*]

I hope what I have said has, in some small way, served to inform people of the real purpose of this debate today. I hope that if any politician rises to mislead any section of the nation, that the nation would treat that politician with the contempt that he or she deserves.

I thank you, Mr. Vice-President.

**The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar):** Mr. Vice-President, I rise to make my contribution mainly because of the transfer required with respect to the modernization of the Petrotrin's Pointe-a-Pierre refinery and also to update this honourable Senate with respect to some aspects of the energy sector loan which was entered into by the Government of Trinidad and Tobago.

This particular loan, as some of us may know, spans three administrations. It had its genesis in 1990 under the NAR administration and continued during the period 1991—1995 under the PNM administration and, of course, this particular project was recently concluded under this administration somewhere around the beginning of 1997.

**4.00 p.m.**

Mr. Vice-President, this particular loan involved a three-pronged effort to rescue the energy sector in Trinidad and Tobago from the difficulties it was undergoing. As I said, it was a three-pronged effort with its components being the secondary recovery offshore project which is also known as the Trinmar Waterflood Project; the Secondary Onshore Project, which was really the onland project dealing with the Parrylands area and, of course, the major component being the refinery upgrade at Pointe-a-Pierre.

I have listened to what some of the Senators on the other side said and I have attentively listened to what Sen. Dr. St. Cyr said in that investment in this particular area, that is oil, may not be the best thing for a government to engage in. Now, while the Professor may be speaking from an economic point of view, one has to realize the strategic importance of the oil and hydrocarbon industries to Trinidad and Tobago. The security of the country's energy supplies must be of paramount importance when one makes such a determination as to how a government must set its energy policy within the framework of oil and gas.

The situation which the then government faced in 1990 was an imminent shutdown of the refining industry in Trinidad and Tobago because the Pointe-a-Pierre refinery, at that point in time, was losing money at the rate of almost TT \$300 million per year. So, the government had to take a decision either to shut down the refinery, and put 4,000 people on the breadline, or to upgrade it via this particular loan which was solicited from the Inter-American Development Bank mainly from the Japan Exim Bank and also from the European Investment Bank.

Mr. Vice-President, it is with some tinge of regret that I say today, that the original expectations of the three successive governments with respect to this particular loan have not been what was expected, in that the three components of the project—the Trinmar Waterflood Project, the Parrylands heavy oil development and even the modernization of the refinery—for one reason or the other have not yielded the expected dividends as was first contemplated in the various economic studies conducted during the late 1980s and early 1990s.

Arising out of that, today we are faced with a particular situation in which Petrotrin, as a company, through a diverse combination of a number of factors, is undergoing a serious threat to its viability and continued existence. This is why I would take the opportunity today to update this honourable Senate on some of the financial threats which this company is currently facing.

Mr. Vice-President, as all of us know, the oil industry, worldwide, is facing certain difficulties for a number of reasons, both in terms of the exploration and production effort and also because of the refining effort. Today, in the world we live, exploration and production companies, because they have been able to maximize the use of technology—even though and in spite of the low oil prices—continue to make a certain profit. However, the same is not so for refining entities. Refining entities throughout the world are, in fact, losing money and only the most modern and efficient refineries throughout the world are in fact, paying their way.

With respect to our refinery at Petrotrin, when it was acquired from Textrin in 1985, it was generally regarded as being one of the more obsolete refineries in terms of technology. For a number of reasons it was generally regarded as possibly one of the worst refineries in this part of the world as far as efficiency, viability and profitability.

It is suffice to say, Mr. Vice-President, that the technology involved in the operations of this refinery was, in fact, obsolete and antiquated and even from a processing point of view, more than 40 per cent of the refinery's yield was attributed to lower valued product, particularly so, fuel oil. The essence of the refinery's upgrading—the modernization with which this particular transfer of funds deals—was really to lower the fuel oil yield from more than 40 per cent to around 33 per cent, also to get a better conversion and higher valued product and a more efficient way to make the product.

Notwithstanding that, the refinery upgrade which was conducted during that period essentially has not brought the refinery up to the required level to

make it profitable and competitive in the same way as a modern US Gulf Coast refinery. For example, these refineries on the east coast of the United States of America, in fact, have fuel oil yield of around 20 per cent which is something that we would compare to our refinery which is in excess of 30 per cent. Therefore, although our refinery has been upgraded, it still has not reached the level associated with a modern US Gulf Coast refinery.

Our refining industry, therefore, Mr. Vice-President, is faced with a continuing threat, in that the world refining scenario is, in fact, very bleak on an overall basis and also the fact that the refinery itself is not sufficiently upgraded by which to yield maximum benefit.

**4.10 p.m.**

The result is that Petrotrin as a company, saddled with a very huge debt repayment profile is, in fact, facing some very severe financial constraints on which its very survival must feel threatened.

Although the latest figures which have been submitted to the Ministry of Energy and Energy Industries by Petrotrin do, in fact, indicate that both the manufacturing, that is, the refining division and the exploration and production business units, would, in fact, be making some sort of profit during the year 1989, because of the per debt-service requirements based on this particular loan, which is somewhere in the region of \$246 million for the year 1998—1999, and the Capital Investment Programme required to sustain current levels of production and refining throughput, one would expect that if nothing remains unchanged there would be a net deficit of \$546 million during the period 1998—1999. Therefore, it is within that context that one must understand and appreciate the problems which Petrotrin, as a company, and Petrotrin as an entity, faces for survival during the coming years when the debt-service requirements are, in fact, extremely onerous.

There is also another dimension to this which the honourable Senate would have to appreciate. During the negotiations under the previous administration for the Investment Sector Reform Programme, one of the conditionalities for the Investment Sector Reform Programmes was that partial divestment of state enterprises including Petrotrin, be in fact, carried out. That was a conditionality negotiated by the previous administration. Rightly or wrongly, I would not comment on that at this time.

During 1995, an evaluation of a net worth of Petrotrin was carried out among other things, of the viability of the divestment of Petrotrin and the possibilities with respect to divestment were, in fact, deliberated upon.

When we came into office, for a number of reasons, primarily for the fact that divestment would not, in our opinion, have yielded the returns to the country at that stage and at this time because of the depressed state of the refining industry, one would indicate that a good price would not, in fact, be obtained. This was confirmed by the study carried out by Credit Suisse of Boston for the then Government of Trinidad and Tobago. Also, one would have thought, even if one intended to engage in partial divestment of the refinery, that it would be prudent at this stage to transform the company into a leaner, meaner more business-focused entity and that would yield a greater return in case the shareholder chose to divest either part of his shareholding. We have in fact, decided that we would not at this time proceed with the divestment of Petrotrin.

In recognition of the serious financial threat which this company is undergoing, Cabinet has appointed a committee to explore all options for the future viability of Petrotrin as a company.

With respect to the Investment Sector Reform Programme, as I said, one of the conditions include the second phase of the action plan to carry out the divestment of the borrower's interest in certain state-owned enterprises, and this phase has been implemented. This phase of the action plan stipulates 14 enterprises for either partial or total divestment, merger or liquidation. The current status is that all enterprises are in compliance with this condition except for Petrotrin and this is, in fact, in consonance with this Government's policy where it is stated. We do not think it is prudent at this time to sell or divest part of our shareholding with this company because of the depressed nature of the refining industry. What we are in fact doing, and I quote:

“The authorities will present a strategic plan for cost-cutting and restructuring which assures the international competitiveness and a long term financial viability of Petrotrin, to the satisfaction of the Inter-American Development Bank. Benchmarks for the plan's implementation will be specified, and the Bank will monitor the achievement of those benchmarks due for completion during the remaining execution period of the Investment Sector Reform Programme.”

Mr. Vice-President, we, as a Government, are carefully looking at all our options both with respect to the short term survival over the period 1997 to the year 2000 and the prospects for long term growth beyond the year 2000.

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During the first three years of our strategic plan, there are certain strategic thrusts which we as a Government will, in fact, insist that the company take in order to achieve repayment of this particular loan without recourse to the Government guarantee which is part of the whole package. The company has been mandated to do a number of things among which include:

Reducing the overall unit operating costs to an industry—competitive level.

Increasing crude oil reserves and production.

Increasing refinery throughput while improving the sales into extra-regional markets.

Strengthening management processes and leadership.

Developing and implementing a re-organization of the company into Strategic Business Units namely, Refining and Marketing and Exploration and Production which will allow us decentralized operation and a reduction in the cost of overheads.

Mr. Vice-President, what does this translate into in terms of actual numbers, in terms of actual figures? In this plan, the Petrotrin's equity crude production will increase from 51,000 barrels per day to 61,000 barrels per day in the year 2000 including its two-third interest in Trinmar and that is very important.

**4.20 p.m.**

During our post-refinery upgrade, we will aim for lower margins, increased competition, less indigenous crude—higher margins I should say; we should aim to eliminate the lower margins. We will have to deal with increased competition from Caribbean refineries and seek to maximize indigenous crude production and also look at our capital cost. We also have increased during our post-refinery upgrade period, our throughput from 100,000 barrels per day to approximately 140,000 barrels per day.

A major focus of our manufacturing division will be to increase operational efficiency and reliability. Of course, we also intend to redirect and refocus our international marketing effort to penetrate further the premium markets in the Caribbean and North America.

Mr. Vice-President, I have sought to give an indication as to where this particular company is going in respect of the very heavy debt-servicing arrangement arising out of the energy sector loan which has, in fact, been

undertaken by the Government of Trinidad and Tobago. There are other short-term measures which the Government will be willing to consider. That is, the 3 per cent on lending fee which the Government charges to Petrotrin with respect to this particular loan. We are committed to reviewing the method of taxation as it applies to the company with respect to exploration and production and refining and marketing.

However, I wish to caution everyone that any relief which the Government of Trinidad and Tobago may so choose to extend to Petrotrin as a company in the future, would depend a lot on how we would proceed with respect to operational efficiency and cost reduction. I think we can no longer, in our state enterprise sector, particularly as it relates to energy, tolerate some of the laziness, arrogance, incompetence and inefficiencies which have so characterized our state enterprise sector from government to government, from administration to administration. The strategic imperatives simply do not allow that, and especially within the context of such a massive threat with respect to debt servicing with which a company such as Petrotrin has, in fact, been burdened and which has to pay its way.

So with those few words, Mr. Vice-President, I wanted to take the opportunity, in light of some of the comments made with respect to the the Inter-American Development Bank loan as it relates to Petrotrin, to show how it in fact, really fits into the context of the survival of Petrotrin.

Mr. Vice-President, I thank you.

**Mr. Vice-President:** It is 4.25 p.m. I propose taking the tea break at this stage and we will resume at 4.55 p.m.

**4.25 p.m.:** *Sitting suspended.*

**4.57 p.m.:** *Sitting resumed.*

**Sen. Diana Mahabir-Wyatt:** Mr. Vice-President, I will be very brief. I have just a couple questions to ask. I would also like a chance to make a couple comments on some of the contributions previous Senators have made before touching on other policy issues. They are on subjects which very much affect the economy and, since this debate has to do with the economy and money, I hope you would allow them. In a sense, there is not anything that does not affect the economy. Certainly, education, crime, the environment and the whole question of our relationships with our Caricom neighbours affect our economy.

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I think sometimes that when we are debating Appropriation Bills, we forget that what we are doing is really *déjà vu* because we are just talking about something that has gone by. It is over and done with and we are, in a sense, ratifying what has happened.

Having said that, I do think that Sen. St. Cyr made much sense when he said that sometimes it is in the additions to the budget that we find policy being “vertently” or inadvertently made. This does come out when we see how decisions are made on what we will spend and on what we will not. There was one particular allocation which, when I looked at Head 22, National Security, I did not see. That has to do with the new prison.

I think that the entire country holds its breath and waits every few months to see whether or not we would see the opening of the new prison at Golden Grove. I saw allocations for equipment purchases for the police and the regiment, but I did not see anything about equipment to get, finally, the prisons going. I realize that this does not directly affect the crime levels, but it certainly affects the health and welfare of the people who are in the existing facilities.

There was an article in the newspaper about the stress levels that prison officers are under and I think that this is a matter that should be of serious concern due to the number of breakdowns of prison officers who are under enormous levels of stress because of the overcrowding in the facilities. Never mind it is inhuman for the prisoners, it is also pretty awful for the prison officers as well. There is overcrowding in the ordinary prisons, much more Death Row—which I hope is not connected to the Attorney General going off to London—which is something we should be concerned about.

My mentioning this might be regarded as something which is slightly out of order because of the fact that it did not appear here. However, I think it is something that we have to take into consideration.

There are other factors which affect the economy as well. A number of speakers have talked about the impasse which is going on at UWI. If I thought for a minute that talking about something that is over and done with and calling on the Minister to give them another \$3.2 million to allocate to wages, what sum would actually get to them, I would be the first one to do that. Of course, we are talking about something in the past, and not something that will be allocated for the upcoming period.



In passing, I would like to make one comment on that impasse. The comment made in the press—I do not know if it is a valid quotation or not, but I am trusting the press that it is—by a university spokesman that the law says that workers who are also students cannot write their examinations because they are being locked out, is totally out of order. There is no law that says that students who have paid their fees should be excluded from writing their examinations. That kind of thing can affect us and our economy simply because this is being watched, not just in Trinidad and Tobago, but throughout the Caribbean. I hope that somebody at the university corrects that statement because it is nonsense.

A university can lock out workers who are on strike and not allow them on to the campus, but there is no law in this country that says that students, who have paid their fees, can be prevented from writing their examinations because they have taken industrial action.

Insofar as the points made by Sen. Dr. St. Cyr are concerned, I share his concern about the way we deal with declining industries. While I listened with great interest to the hon. Minister of Energy and Energy Industries talk about the situation with Petrotrin, I really could not understand the point he made about security of energy supplies and a decision being taken on that basis. We could have as easily obtained energy from other directions. That did not mean that we had to upgrade the refinery. We could still have produced petroleum, be it at a lower level, but enough at least to supply our own domestic needs.

From what he said, I understand that the energy industry is in such dire straits that the repayment of the first tranche of the loan will take more money than Petrotrin has made for the last three years—since it started making profits—which means it will never catch up and will always be a drain on the economy. So much for people who talk about the importance of maintaining the petroleum industry!

**5.05 p.m.**

I think that is something which demands serious debate in this Senate as well because it has always been a cornerstone of our economic policy that we maintain the energy industry, and I do not think that we get around enough to discussing and deciding in this Parliament the real policy issues which underlie what our budget figures are. They are all our increased allocations.

I commend the Minister of Finance for asking the Permanent Secretaries in all the ministries to effect savings and increase income wherever they can. I do not think I ever heard a Minister of Finance actually do this before. It is a very

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practical, sensible move and I am glad to see that in pursuance of balancing his budget, the Minister has done this.

I wonder, however, when looking through these figures that every time I come under for example Head 22, 26 and 36 there are provisions which say that money is needed to pay T&TEC, or for the telephone or water. Do people not know that they have to pay their bills? Why does it have to be a supplementary allocation? Can I assume that in future the Minister would assure us that all these ministries will know that they have to pay their bills and not let them drag on year after year? I think it is important to effect savings, it is also important to ensure that we collect as much revenue as we can.

I am wondering if the Minister or anyone else in this Senate can tell me whether or not it is legal for a government to rent out private advertising space on public buildings as a means of raising revenue. I have a feeling that there is an Act which deals with advertising on public property which says that it is against the law. I am hoping that somebody would be able to tell me about it. I am picking up on Sen. Kenny's point about the ads that have been plastered across the grandstand. Not that I intend to get terribly hysterical about the use of cigarettes and tobacco, as it seems to have everyone else up in the air about it, but I do think they are eyesores and are demeaning to the environment.

There are a couple questions which I have to ask but before I do, the last point is that about three months ago I asked a question in this House of the Minister of National Security which was, why had the Bill which was passed in this House dealing with free movement of Caricom nationals not been proclaimed? He explained at the time that there had been some problems with immigration procedures and that bill would be proclaimed and the regulations would have been in effect by the end of July. With July only a couple months away, it seems very strange that at this point, one of our journalists would have been bounced out of this country, or would have been told that he would not have his work permit renewed when, in fact, in two months' time he would be able to return anyway, being a Caricom national, a graduate of the University of the West Indies and also as a media person. I am just hoping that those regulations would reflect the difference in quality and concept between someone in the media, and perhaps an engineer. One engineer who is qualified can replace another engineer, but media personnel depend on their personalities and no two personalities are alike and one just cannot be replaced by another. I hope the regulations would take this into consideration.

I wonder if the Minister could answer one other question and that is on page 12 of the document referred to as *Transfer of Funds between Sub-Heads under the same Head of Expenditure* \$111-odd million. Under Head 4, I was a bit puzzled by the increase of \$117,100 which was needed for the Industrial Court which says that the transfer of funds was required to facilitate the payment of leave passage which was due to a member of the Industrial Court and his family. Was it not known in advance that the member of the Industrial Court and his family had this due to them? Because it is usually in the terms and conditions.

Secondly, under savings it says that savings became available due to the fact that the court occupied newly furnished premises in 1997, whereby reducing the requirement, and I am wondering requirement for what? It does not make it quite clear what that requirement is.

Thank you.

**Sen. Mahadeo Jagmohan:** Mr. Vice-President, I thank you for the opportunity to participate in the matter before the Senate. I wish to indicate that for quite a while now I continued to see Trinidad and Tobago in tremendous turmoil in all fronts of our national life and I do believe that this Senate can take up a position that will show the rest of the nation our concern.

There are many matters which are affecting the man-in-the-street and people are looking at us in a particular way. For example in yesterday's *Trinidad Guardian* on the front page there was an unsavoury headline on whatever was being said by the Member for Tobago East about the acting Prime Minister. These things do not augur well for the country and I am wondering when the main players would come to their senses. Today, I see another report on the front page of the *Trinidad Guardian* that the Acting Prime Minister has declared some kind of truce, and he will not argue or debate with the Minister of Tobago Affairs.

Mr. Vice-President, I wish to continue by indicating that our participation here should always be acts of refinement, our words should be couched in good taste, and our voice intonation should reflect deep feelings of sincerity and concern for our nation. I am certainly going to be brief this afternoon. I refer to page 19 of *The Transfer of Funds between Sub-Heads* under the caption Ministry of Labour and Co-operatives where \$350,000 is the additional amount that is required in the words of this document, to settle things. To upgrade existing facilities by undertaking repairs and maintenance work through various employment exchanges. That effort is laudable because there are thousands and thousands of

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persons in this country who place their hopes on the labour exchanges and they go there hoping to get employment, and if those places are being brought up to a higher standard, whoever is responsible must be commended.

When the 1998 budget was presented in 1997, I raised the question to which there were favourable responses from the Minister of Labour and Co-operatives. I told him that many persons from the deep south or south east area wish to avail themselves of the programmes at the Cipriani College of Labour and Co-operatives but are finding it extremely difficult to commute to and from Valsayn in order to attend classes and leave at 9.00 p.m to get to places like Point Fortin, Rio Claro, Fyzabad, Siparia and so forth. We do have students from those places coming to Valsayn all the time.

The point I was making was that existing buildings could be used in San Fernando where students can get off from other routes and walk into a building in San Fernando in order to attend classes at the Cipriani College of Labour and Co-operatives. Maybe the Government does not wish to enhance its own position and that is okay with us. That would suit our plan. I suggest to the Government that is one of the things for which we had hoped to see money being increased but there is none of it.

We are hearing about purchase of computers in all departments in Trinidad and Tobago, but there is a serious matter which I want to bring to the attention of the Minister of Finance and the Minister of Public Administration and Information. These computers are bought and delivered with great fanfare but they are not protected in the departments, and dust is creating havoc with these computers which are very sensitive pieces of equipment. We must first think in terms of arranging to protect them before they are bought. Perhaps the hon. Minister of Finance has no idea of what goes on, and I do not wish to embarrass anybody by pointing out locations and departments where this happens.

There are situations where some departments have bought computers and there is no one to teach the staff. The Minister may not be aware, but it is a question they are putting in the budget or the estimates of those individual departments, particularly regional corporations where there is no one to teach how to use the computer. I am saying that we should have a second look at how we purchase computers, and perhaps, simultaneous with purchase we should have extensive training taking place.

With respect to the Ministry of Housing and Settlements under Head 36, I have a question with regard to housing which may come on the next Order Paper. At this stage of our development, houses should be built as much as possible to suit persons in the lowest income bracket and this is not being done. I overheard right here about the prices of houses in certain areas. These were not meant for the working class, or wage earners, they were meant for persons who can earn a \$1/4 million in one swoop by some kind of business transaction, and there is need for a review of this situation. Unless we do this, we will not be thinking about the citizens of Trinidad and Tobago.

**5.20 p.m.**

When this exhibition, which was referred to here, came from India—I spoke about it before and I do not wish to repeat what I said—we had hoped, because of the kind of economic structure which exists in India, that the Government would have capitalized on it and showed us in this country how to use the cheapest source of material to build houses which could be purchased by the poor working class. Mr. Vice-President, nothing has happened so far and we are still looking forward to seeing what would happen.

Let us look at the Ministry of Social Development. Probably about two weeks ago, the Hon. Minister—in answering questions on the Order Paper and in giving replies to supplemental questions—spoke about several things being done and those which could not be done because of various constraints. However this comment on page 41 does not sound good:

“Savings were available due to the following:

- (a) no agreement was reached with respect to the rental charge to be paid to NIPDEC for the Riverside Walk-in Assessment Centre. Consequently, the provision for Rent was not fully expended;”

How in this day and age can we see a few lines like this? We are speaking about the Government. Is NIPDEC a law unto itself and could not complete negotiations with the Government?

One of the reasons for this situation is because somebody is too busy—I am not talking about the Minister alone in this instance—or some technocrat gave priority to something else. However, if this arrangement was finalized we would help human beings like ourselves who are suffering—lamenting on the road and streets—to go to some place. However, that was not done, Mr. Vice-President. We have a great deal of transfer of funds from one ministry to the other.

I do not wish to talk a great deal about all the Ministries but I observe that the Ministry of Education is either having savings or we could call it by some other name, but the way this matter is stated here means that ministry is having quite an amount of money to deal with. On page 28 of the Schedule there are sums; a decrease of \$14,785,000, in one area, \$4 million in another area and \$10 million in another, which have been transferred to other sub-heads. Mr. Vice-President, there could have been rapid expansion of certain existing schools. There are many children—we do not know this and our good friends from the press would not print it—above the age of five years who are waiting on principals to gain entry into primary schools who will be told that there is only so much room left and they cannot be accommodated, that they would have to wait until many more children leave the school. That is the situation and we need to do something about it.

We have a very bad situation existing in primary schools. Notwithstanding the venerable Prof. John Spence has a motion on the Order Paper which deals with free meals for all students, and I would give it my full support when it comes to this Parliament. The principals or teachers have drawn up lists and if a school has 500 children, food is brought for 150 children and the other children just look on at lunch time. They have no food either, Mr. Vice-President. Could not the Ministry of Finance draw moneys from the transfers done from the Ministry of Education and feed the children in all these elementary schools, or look for an additional amount on the basis of size of the school? This is a very bad situation. Children and their parents are suffering and lamenting the fact that they are being discriminated against.

The hon. Minister of Finance alone cannot be blamed, all of us should be blamed. We should be agitating against this matter and we have not been doing it. I am urging that we look at this matter. However, we advised the hon. Minister of Finance about things in the interim of presentation of other budgets but he is not taking us on. I do not know what is responsible for this.

We observe that the Ministry of Education has started security in certain schools. That is commendable, but there are many schools which were vandalized which are not being considered, yet we have movement of funds from the Ministry of Education. That is an area at which we certainly have to look.

The tertiary education system is looked at by other countries to see what courses are offered, what collegiate programmes there are, the number of semesters available for the award of degrees and so forth and this is of concern. The world is now looking at us with respect to the situation at the University of

the West Indies. The Government of Trinidad and Tobago has a crucial role in settling the suffering of the students and the non-academic staff. Presently, they are in turmoil. I heard on the 11.00 o'clock news today that the hon. Minister of Labour and Co-operatives has winged off to Georgetown, Guyana to preside at a meeting of Labour Ministers of the Caribbean.

I am not against him going there to do what he has to do. However, why did he not make a statement and say which Minister would carry his portfolio in his absence? Mr. Vice-President, not a single word was said. It does not look good that students cannot enter the library at the university. This is a terrible situation at the University of the West Indies.

We all know that a number of families sell some of their real estate and withdraw whatever they have from their accounts to see their children through a first degree—not post-graduate, or second degree—with the hope that the son or daughter would work for an enhanced sum of money in relation to what the parents earn and to take care of their parents in their winter days.

Mr. Vice-President, it is victimization with respect to the 950 workers involved with the strike at the university. The situation at the university is that over the last 12 years the non-academic staff got 9 per cent increase and the teaching staff, which comprises about 350 persons, got 50 per cent increase over the 12 years. Is there equity in this society? Are we a just and reasonable people?

### **5.30 p.m.**

A staff of 350 people had \$26 million. I am talking about the university staff from Pro-Vice-Chancellor down to the lecturers and demonstrators—the guys who work the machine and show the engineers how to do this or that, I think they call them demonstrators—university people know what I am talking about. A great man, Sen. Prof. Spence says I am quite correct. I do not have to shout, I went to all kinds of universities too.

Mr. Vice-President, we are not only shooting off our mouths here, we are pleading with the Government to please settle the impasse at the University of the West Indies. We are begging them to do this in the interest of the young people who will be manning the nation when we would have gone. They will be sitting on that side, and maybe on this side too.

Why is there a shift of so much cash? This is a crucial point. The restaurants or fast food outlets have increased the prices of all their food items by substantial

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percentages since this year has commenced. The wholesalers or the importers have all increased their food prices. How come, the Government who cares so much about people and wants to be a world class Government—*[Interruption]* same khaki pants—has not seen it necessary, and I am dead serious, to cause some subsidy to be given somewhere to meet a single food item—either stabilize the price or cause a reduction? Nothing is taking place. It is open season now on food items for the poor people of the country. I do not think the Ministers of Government can give testimonies of this matter, because they have not felt the pangs of hunger.

I am not speaking because I have an opportunity to speak; I speak because there are people out there who need somebody to say certain things on their behalf. There are poor people who go to the groceries with lists from here to there, and when they find out the price, they buy five items, come back home and they have to make that do. Who will assist those people? If not the Government, who else? I am again pleading with the Government, and I am throwing this ball in the lap of the hon. Minister of Finance, to do something to bring about a decrease in the price of basic food commodities for the poor people.

Mr. Vice-President, I thought I would have seen in the transfers, that the Minister of Finance would have indicated that, "We have decided by an agreement with one of the major trade unions in the country that their membership who are workers of the state will enjoy a pension plan". The principle has been drawn up and there are signatories. It was done with a lot of fanfare, again, which is a good thing. I understand the Minister of Finance has given an undertaking that pension plan will be settled by the end of June this year, is he going to come back with some supplementary budget or something, again? From which section here will he take that money and put aside in that proposed pension plan for Government daily-paid workers? I fail to see it? Mr. Finance Minister, can you help us with that?

I have noticed so much improvements for the Finance Minister to operate with greater ease. I read in the document where now, he does not have to go to Cabinet for certain measures; he could spend or transfer on the basis of advice of his technocrats from the budget division or wherever. That is making his job easier, but what about the other people who are in need as a result of his actions? Is he prepared to assist the people of the country? I tell you, when poor people in need cry, the tears will affect the people who do not care. *[Interruption by Sen. Cabrera]* Boy, you do not have anything to say, stay quiet.



Mr. Vice-President, there are about three areas which I have alluded to and on which immediate action should be given. We plead with the Government not to just talk, but pay attention to the situation at the university. Those people are now with tears in their eyes at the strike camp and in and around the compound, they are crying actual tears. They need the help of the Government. Nobody else could help them but the Government. If I may just reiterate for the sake of emphasis the situation of the poor people and food prices.. Further, the school feeding programme has to be reviewed, if it is not reviewed, the UNC cannot even come back in opposition, they are getting no seats. *[Laughter]*

We laugh sometimes, we heckle sometimes, and some people—not on this side—even jeer at times, we have got to live with it; but I wish to state that now is not like long time, now is like now, the man in the street has the microscope on the policy makers, the law makers and the operations of the Parliament—Independents, Opposition and Government. The man in the street has the microscope on and is looking and waiting to see how we are acting.

I thank you very much, Mr. Vice-President.

**Sen. Philip Marshall:** Mr. Vice-President, thank you for this opportunity to make a short contribution in respect of the Finance (Supplementation and Variation of Appropriation) (1997) (No. 2) Bill, although someone stated earlier in the contribution that this is a money Bill and therefore, in the Senate we really do not have much say in terms of its approval. The Appropriation Bill, in a sense, represents the final outcome of our financial state of the nation. We may regard the budget presentation in December, 1997 as the final or most important working document of the hon. Minister of Finance, but at the time of presentation many of the figures available to him really represent provisional figures. So in a sense, what this document or opportunity presents to us is the final reporting of the situation of the fiscal year, 1997.

One of the weaknesses, therefore, is that at the time of his budget presentation and even now, financial statements represent the lagging indicators of performance. It represents the financial outcome of the economic and development policies of the Government. Mr. Vice-President, for that reason I think it is worthwhile that we use it to make some comment on the financial policies; and if you would, therefore, give me the latitude of working on the assumption that any comments are not straying too far away from the actual Bill before us.

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Now, an important measure of the hon. Minister of Finance and the Government's policy is always going to be the fiscal surplus at the end of the year. For example, when we talk about Chile and Chile's pension reform, one of the things very often overlooked that made Chile's pension reform successful was that, at the same time it moved from a situation of many years of fiscal deficits to years of fiscal surpluses. So the Government's fiscal governance principle of a fiscal surplus is a very important issue that affects our exchange rate, productivity, financial reserves. Therefore, when we have a situation such as this, where an appropriation bill may show that what was reported as a fiscal surplus in a previous period may now be substantially eliminated and become a fiscal deficit, or at least a very much smaller surplus, I think it is a point that we ought to bear in mind when we reflect back as to the policies that have been adopted.

Mr. Vice-President, we saw today, in terms of what took place in the gallery, the whole issue facing our nation about the sharing of the pie; workers and people asking for greater increases in their pay and salaries, and let me just follow up on the point made by Sen. Jagmohan when he said, "I talked about food items". I think this is very important. The "Index of Retail Prices, Table E.2", taken from the *Monthly Statistical Digest of the Central Bank* recently issued as of December 1997. In 1994, four years ago, the average food index was almost 112 points; in November of 1997 it rose to 165 points. It means in the intervening four years, the average increase of food items was almost 13 per cent per annum. So let us bear in mind, although we may be talking about an average inflation rate of 3—3.5 per cent, in terms of food items which affect the disposable incomes of those that are least well off, one can see the factor of the specific increase in food items. So, we must understand people's behaviour when they talk in terms of requests for higher salaries and therefore, the Government, in terms of the minimum wage per hour—I am not talking about the overtime aspect of it, I am talking about the \$7 per hour—one can see the significance of that barely meeting the requirements of a person's basic psychological and physiological needs.

Now, why is it important to look at policy and productivity? If there is one important measure, when one looks at Government's economic performance, it is the Gross Domestic Product (GDP) per capita. The Gross Domestic Product per capita represents the economic and overall well-being of the citizens, our potential for future competition, and let me remind you of some of those figures. I am making it from the perspective of Government's policies, consumerism, and some of the challenges facing us. The figures I am going to quote relate to per person employed. In the energy sector—and I keep saying this statistic—the GDP per

annum per person employed is about \$550,000. That is because the energy sector represents a large aspect of our GDP, and there are about 17,000 people employed; so the GDP per person employed, because of the capital intensity, is \$550,000. In the non-energy sector it is about one-tenth of that, \$55,000 per annum. I am just showing you the differential and, in fact, in the agricultural sector, I think per person employed, the GDP falls to about \$18,000 per annum.

Now, why is this important? Let me refer you to an article, I do not have it in front of me, but the basic statistics concerning our visible trade. All this relates to the impact that these figures are going to have as drivers in terms of demand on our labour market, drivers that will cause further demonstrations like the one we saw today.

**5.45 p.m.**

Reported in a paper earlier this week were the statistics on visible trade. In 1996 we had a trade surplus in excess of \$2 billion and in 1997 we had a trade deficit of about \$3 billion. We, therefore, had a theoretical decline of about \$5 billion. One word of caution, that figure includes capital goods which represent foreign direct investment in terms of the significant investment in the oil and energy sector. Thus, one cannot say that the \$5 in totality is a decline; a large percentage of it, nearly 50 per cent, relates to foreign fixed direct investment. The picture is still bad enough to warn us that we are going toward a situation where earnings in the non-oil sector are going to be of utmost and paramount importance, with falling prices in the oil sector.

With regard to labour market policies, wages and productivity, we talked about the challenges of a continued increased in food prices and the hon. Minister of Energy and Energy Industries warned us of a very important issue and challenge that the Government must face in the state enterprise sector. How do we, as a challenge, involve the labour aspect of the Tripartite Agreement and the labour unions to say, "Okay, although we need to have additional increases, supporting benefits, minimum wages, occupational health and safety, we are talking about severance pay and all these issues, how do we translate that into increases in unit productivity per worker?" This is basically at the root of the figure of gross domestic output per person. The end result, the only thing a Government of the day can do, is not simply to spend money, it has to ensure that it creates a competitive environment in terms of infrastructure and creates in terms of education and other infrastructure, a people and physical infrastructure that this country can eventually and arguably and inexorably go towards reducing its unit cost in labour terms.

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Therefore, what we have to engage the trade unions and the labour market in, is, even though they may request greater increases in their remuneration—which I am sure is very deserving—there is another side of the coin: Where are we going to get the money from? We can get that money as long as we have the environment to, in fact, increase our productivity. That would only be by attending to that root cause of increased productivity, of developing the importance of our non-energy sector and turning around what I see to be a very challenging situation in terms of the trend of visible and invisible trade. It is only then we would be able to develop the confidence that we can get our people in Trinidad and Tobago not to invest their money in foreign denominated dollars on deposit accounts, but take that same money and invest it in the real sector in real production activities that create jobs. That confidence can only be had if we have a proper balance between the ability to develop the productivity and competitiveness of our workers, and the conditions under which they work, to motivate them in that situation.

You cannot have your cake and eat it. You cannot expect an increased benefit at the worker level, regardless of how important it is that their basic wages should increase, but yet not have it at the productivity level. The challenge facing the Minister, as I am about to wrap up, is that, in terms of his budget and his ability to fund these infrastructure investments, we have to talk about his increased revenue compliance, widening the revenue collection net without in any way increasing on a specific individual or companies, the rate of direct taxation, and also to make sure that in our entire transformation, increases in revenue or cost continue to focus on development expenditure and we do not have it wasted on non-essential, non-productive operational type recurring expenditure.

Mr. Vice-President, with those few comments, I naturally support the Finance (Supplementation and Variation of Appropriation) (1997) (No. 2) Bill and re-emphasize the importance of our having, as it were, a final accounting from the provisional figures that would have been presented in the budget.

Thank you.

**Sen. Prof. John Spence:** Mr. Vice-President, I thought to say a few words at this point because it follows on from what Sen. Marshall had been saying. I think at some stage it is extremely important that we do have this debate on economic policy. I hope we can have it soon because we keep speaking of it but we never seem to get down to it. It does affect many of the other issues that we discuss.

I agree entirely with the points that were made by Sen. Dr. St. Cyr and Sen. Marshall. To follow on what Sen. Marshall was saying, it seems to me we have to think very carefully about our divestment policy when it comes to state enterprises. Sen. Dr. St. Cyr mentioned this. In a review that was done, I think through the NAR government by Frank Rampersad, the strategy suggested for divestment of state enterprises was, when the government found that an industry or enterprise was mature, that is, it got to the stage where it was no longer useful for it to be held by the Government, it should be divested. The funds so realized should be used for other areas of activity which the private sector would not, in the first instance, go into. This follows on Sen. Marshall's point, because he said that we must invest in productive enterprises.

The problem is that, by and large, in our society we are not interested in these new ventures. We are interested in profitability and existing activities and we do not as a society look for these new situations. That is why I think the Government has got to take the lead. Indeed, I venture to suggest that our GDP would be very much lower today than it is, if we did not develop the Point Lisas industries. Even though Government may have lost large sums of money in some of the enterprises, nevertheless, as a whole, if that area had not been developed, those activities would not have developed, and clearly our GDP would be less. These were largely initiatives taken by the Government because the private sector would not take them. My belief is that we should use the proceeds from those sales, as Frank Rampersad suggested, in looking for new areas of activity.

With respect to the present exercise of approving the changes that have been made, there is just one area I would touch on, and that is Caroni (1975) Limited. I note that, in effect, what the Government has done is to make a loan—I pressure that is how it should be viewed—of \$30 million, because it says that the sum would subsequently be retired. My first question is, my understanding was that when Caroni (1975) Limited was looked at three or four years ago, it was set up in such a way that because its indebtedness had been wiped off the books, it could then borrow from commercial sources. I wondered why it was not possible for it to continue to do this rather than having to find money from the Government to loan.

The second question then is—I suppose it presupposes a certain answer to the first—is there any likelihood of this \$30 million being repaid? It says in this document that this money is to be retired. I think it would be useful if we could get some idea from the hon. Minister of Finance, about the state of Caroni (1975) Limited with respect to its financial viability, to determine whether there is any chance of that \$30 million being repaid.

On that same scene, I make a point I had made previously, which also applies to Petrotrin, because as we heard from the hon. Minister of Energy and Energy Industries there may be some financial difficulties there as well. In both these cases those companies own large acreages of land in Trinidad and Tobago. Between them, as I have said before in the Senate, they probably own about a third of Trinidad and Tobago. Could we have an assurance from the Government, a stated assurance in this Parliament, that that land would be transferred to the state before any sale of shares in those companies is effected? I keep hammering this, I am sorry I have to preach it every time, because I do not get an assurance from the Government that this is, indeed, going to be the case. I think it would be tragic if a third of Trinidad and Tobago were to be sold perhaps to foreign investors.

Mr. Vice-President, the only final point I would make is one which a number of speakers have touched on and I hope you would indulge me just to make a few comments on that as well, and that is the situation at UWI. Honestly, I see this as a most tragic development taking place, for a number of reasons. I am saddened by the position of the Student Guild. When one thinks of the student leadership one had at that institution in the past, the people would have been prepared to go to jail for their ideological beliefs. For a group of students to now say that they are neutral and not concerned with what is happening on the campus, to me, is extremely said.

When I look at the performance of the Student Guild's president on television, I think, my God, what is leadership in this country going to be like in the future; that to me was a sad thing. Also saddening me is the situation of the staff, the response of the West Indies Group of University Teachers (WIGUT) to the situation. Surely the staff of the university who just received a 27 per cent increase in emoluments, cannot say, "No, we sit on the fence, we are not involved." They must realize the alienation of the support staff—I do not like the term non-academic—if this situation continues. I am saddened, both by the attitude of the academic staff and the students. Quite frankly, I do not think it goes well for the future of that institution.

If this strike is not settled and the lines continue to be hardened, it is going to take a number of years for UWI to recover from this present impasse and, to me, for a major institution in the country which has given us intellectual leadership that should be teaching us how to solve problems like this when they arise, I think clearly it is a most disastrous situation.

Thank you.

**Sen. Dr. Eastlyn Mc Kenzie:** Mr. Vice-President, I view exercises like these as very important because when we go back to the budget presentation we know

that the items outlined in the budget would come from estimates submitted by divisions, well thought out. At times, divisions have to be represented and interviewed by the Budget Division so that the Minister of Finance and Minister of Tourism could arrive at something that has been discussed.

We have some non-performing sectors— and I compliment the Government because in this year we see an improvement over the previous year in the non-performing items that we have had in the budget. Then it brings me to the point of how do we arrive at the priorities or the substitutes we put in for those areas that could not perform.

**6.00 p.m.**

How do we set those priorities? It brings me to the discussions that we have had in this Senate, time after time, where we found that more money or, at least, the money could have been allocated for certain areas and they were left out of the budget. When one item is not being carried out, how does that division decide which item to present to the hon. Minister of Finance supported by the Budget Division? I want to interject and make a plea because I believe that the next time around we are going to have an exercise of this nature again.

At this point I would like to commend my colleague, Sen. Tota-Maharaj on the behind-the-scenes action that she has been carrying out to assist the Ministry of Agriculture, Land and Marine Resources with that question I brought earlier this year dealing with non-payment for lands acquired by the Government over a number of years. When I looked at Head 25 and saw where there were some virements there under that Ministry, I would like to put in a plea that if ever the hon. Minister has to consider any virements in that Ministry again, he ensures that he puts in some money to take care of surveying of land and payment to people for lands acquired, used or entered upon by the government and not paid for. I want to make a very strong plea for this. It is long overdue. Very poor people are suffering. Small parcels of land are not paid for and very many people can be satisfied with just a minimal amount of money and I am sure that the hon. Senator will feel very pleased that her efforts are not in vain. I exhort the Minister, when next he has any virement to do with the Ministry of Agriculture, Land and Marine Resources that he enquires: Where is the recommendation for payment for lands taken and used by the Government as far as acquisition goes? I am sure he also will be setting priorities as far as this Senate goes on problems and questions that are brought to his attention from Members of the Senate and not necessarily from the divisions that present their requests to him.

Thank you.

**Sen. Nafeesa Mohammed:** Mr. Vice-President, I was, in fact, taken by surprise just now in having to get up to speak at this point in time in this debate. We have been here since 1.30 this afternoon. We were expecting that there would be an even distribution in terms of the speakers hence the reason I was awaiting the opportunity to speak after a Member of the Government.

Mr. Vice-President, I was hoping, as well, that I would have had the opportunity to listen to what our goodly hon. Minister of Public Administration and Information would have had to say because the entire theme during this afternoon's debate, in relation to the variation of the Budget, centred around the impasse and strike action that is presently taking place at the University of the West Indies. A few minutes ago I was not in the parliamentary Chamber, but I heard Sen. Prof. Spence's contribution and I want to endorse the comments made by him, especially in relation to the impasse and the impact it is having with respect to the student population at the University of the West Indies. As we all know, in the next few days, in fact next week, these students are expected to start their examinations and we on this side are calling on the Government and I am pleading with the hon. Minister of Public Administration and Information and, indeed, his parliamentary colleagues to intervene and try to bring a speedy resolution to this impasse. It has passed three weeks and the student population is suffering.

Our information is that, contrary to reports that are coming out, the students do not have access to the library facilities on the campus and it is not true that many workers have gone back to their jobs. We are really urging the Government to please do something very quickly to bring a speedy resolution. We know the Minister of Public Administration and Information is, in fact, the Chairman of the inter-ministerial committee and he, as a former labour union representative ought to be empathizing and sympathizing with the plight of workers. I appeal to his good conscience to see what he can do within his portfolio to end this long outstanding dispute.

Mr. Vice-President, during the course of this debate we heard the hon. Minister of Finance attempt to give an explanation that, as usual, it is a simple process and exercise, just a bookkeeping exercise; that the measure before us is an attempt to close the books for 1997. Whenever he says it is simple we always have to read between the lines and you can rest assured there is always something lurking in some dark corner.

When my colleague, Sen. Montano, spoke this afternoon, he made mention of the fact that several of the transfers that are now taking place relate to moneys that



were spent from since early last year. The fact that they come some four months into the year to now give explanations for these transfers just highlights the manner in which this Government conducts the affairs of the nation. It reeks of deception and mismanagement. Since the presentation of the 1998 Budget we know that the oil prices have changed and many things have changed and it is like every two months we are expecting a pseudo budget to be presented. The fact of the matter is that the hon. Minister had ample opportunities in the past to come and explain some of these things, particularly in our last major budget debate and yet—I suppose, to take the political heat off the transfers which really reflect the kind of mismanagement that is taking place with this UNC/NAR/Independent—whatever Dr. Job is—coalition government. They are now coming, many months after that budget debate, to close off books from transfers that took place as early as, I think it was in June of 1997, and some measures even before that.

Mr. Vice-President, in the past three budget debates, on each occasion when this Administration presented a budget, we highlighted the fact that the figures just did not add up. My colleague, Sen. Montano, I distinctly remember on the last occasion and, indeed, on the previous occasion, did point out that we can expect a deficit budget. That is what this measure is about this afternoon. It confirms what we have been telling the population in terms of the actual expenditure and the revenues that are taking place in Trinidad and Tobago today. We are operating with a deficit budget.

As we go through the explanations that have been provided for the transfers, my colleagues on this side have dealt, at length, with several of the various heads and subheads. I would like, as well, to touch on a few of them. Before I do so, I must make a comment or two on the contributions of some of the my colleagues on the other side. The hon. Minister of Energy and Energy Industries got up in this parliamentary Chamber for possibly 30 minutes or so—in Trinidad and Tobago there is a word they call ramajay—he ramajayed about the whole process that is involved in refining oil, talking about what is happening in terms of the finances at Petrotrin. I was expecting to hear some comment about the allegations that are being made in the country, especially over the last couple of months relating to the activities of Petrotrin, particularly involving the financing of Petrotrin. I was expecting to hear the hon. Minister of Energy and Energy Industries make mention of the fact that during some negotiations that were taking place recently with respect to Petrotrin, a highly improper request had been made and that together with other statements and allegations that are being made, our information is that

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whatever request was made this matter was, in fact, reported to the FBI in the United States of America; but here it is this evening, the hon. Minister of Energy and Energy Industries stood on his feet and ramajayed and said absolutely nothing about these allegations. He spoke and, indeed, I must say that I was glad to hear that he got back his voice, as over the last few weeks and months since the Soodhoo affair erupted, he seemed to have lost his tongue.

Now that the report has been presented we are confronted with a situation where there are more questions unanswered and speculation is still being fuelled in the country. As a responsible Government and if it is that the hon. Minister is as responsible as he purports to be, then we call on him to—if he has the opportunity—please do what he can to clear up these allegations if they are, in fact, allegations. The report that has been presented, from what I have read in the newspapers, clearly seeks to clear the Minister's name alone and at the end of the day the issues still remain at large.

The hon. Minister of Energy and Energy Industries was not the only one who ramajayed here this afternoon. I sat down in this Chamber and I was eager to speak after my dear friend and colleague in the back-bench who has been with us over the past few months in the Chamber, the hon. Vincent Cabrera who, as far as I understand, is a person who comes from the heart of the labour movement. A gentleman who, just like our colleague, Sen. Wade Mark, one would expect and assume that he would be very sensitive and empathize with the plight of workers in this country. When he was through with his contribution in this Chamber this afternoon I was reminded of a word that I recently heard; the word is 'peon'. At first I thought that word might be unparliamentary but I happened to look in the dictionary and it is, in fact, a word that is in the dictionary. That is the word I would like to use to describe his contribution. I could not believe my eyes and ears to hear the hon. Senator stand in this Chamber and sound like someone who has been totally brainwashed. Instead of dealing with the issues of the day and instead of tackling the problems that University of the West Indies workers are facing, like a typical stooge, if I may say so—

**Sen. Mark:** Mr. Vice-President, on a point of order. I think we need to refer to Standing Order 35.(4):

“It shall be out of order to use offensive or insulting language about Members of either Chamber.”

I think the Senator is totally out of order.

**6.15 p.m.**

**Mr. Vice-President:** Sen. Mohammed, the use of the word “stooge”, in my view, has crossed the line. I would like you to have the word withdrawn.

**Sen. N. Mohammed:** Certainly. Mr. Vice-President, I will certainly withdraw the use of the word “stooge” from my contribution.

If I may be allowed to continue, Mr. Vice-President, the long and the short of it is that I sat here and heard the hon. Senator comment about our comments that were made with respect to the frequent flying activities of the Members of this Government. He had the audacity to go so far to say that when the PNM was in government, we had poor public relations and if it is they are flying off here, there and everywhere, they are letting the public know, as though that is good government.

He made a number of comments. He admitted that their operations are based on public relations. That is what we have been saying. They are hell bent on running this country on the basis of public relations. So many trips are being taken abroad; so many millions of dollars are being spent on foreign travel by Members of this Government and we have to ask: What benefits are being brought to our country? All we are hearing is a lot of old talk.

He made mention about people being fired by fax. He had the gall to talk about firing people by fax, when in the last budget presentation in this Parliament, the hon. Minister of Finance fired a Minister via the budget.

So, Mr. Vice-President, they have no moral authority to make comments like these. To talk about public relations—they are really running this country on the basis of public relations. Would you believe that on an important issue involving our Constitution and abolishing appeals to the Privy Council, instead of coming to the Parliament of Trinidad and Tobago and pursuing this matter with the people of Trinidad and Tobago to get a consensus, the hon. Attorney General jets off to Britain to supposedly speak with the British Government to deal with a matter involving our Constitution.

When it comes to frequent travel and frequent flyers, this Government takes the cake; it should be given an award in its short three years in government. Check it. Apart from the hon. Prime Minister and the Minister of Foreign Affairs, there are astronomical sums of money being spent on foreign travel. Our good friend, the hon. Minister of Finance and Minister of Tourism, was not in the Parliament

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last week to present this Bill in the Lower House. He, as well, a frequent flyer—and they are criticizing our colleague, Mr. Ken Valley, for going to the International Monetary Fund—he just came from a meeting of the International Monetary Fund. He should be telling the nation what he went to the International Monetary Fund for.

But that was not all. In typical public relations style, I see my colleague, Hon. Sadiq Baksh, sitting in the Chamber. He is actually in the Chamber at this time listening, because you know—

#### PROCEDURAL MOTION

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Just a procedural Motion, Sen. Nafeesa Mohammed. In accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until the conclusion of the matter now before this Senate.

*Question put and agreed to.*

#### FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (1997) (NO. 2) BILL

**Sen. N. Mohammed:** Mr. Vice-President, I always refer to the hon. Minister of Works and Transport, whose portfolio was reshuffled in the Cabinet through the last budget, as Houdini. That is why I commented on his presence here, because I am sure, before the tea break, he was probably up in Toco/Manzanilla, or somewhere else in the country.

I think it was the budget debate on December 20, 1996, I distinctly remember listening to our goodly Minister of Works and Transport talking about all the grandiose things that were happening in his Ministry. So many things were happening and that is why they had to remove so much of his portfolio.

When it came to the Traffic Management Division in his Ministry, he referred to a short-term programme and a long term programme to bring about reform at the Licensing Division. He talked about a proactive measure in the sense of the budgetary measure that was announced by the hon. Minister of Finance, when they boasted in that budget about removing motor vehicle taxes. They boasted and said that there will now be equity in the system, because instead of having to go and line up in long lines at the Licensing Division and having to pay your vehicle taxes, they were removing that and you now had to pay by the pump.

They talked about a financial trade-off instead of having to increase fuel prices, but look at the deception in their *modus operandi*. Because come 1998, only last week or the week before, we started to read about the long awaited measure.

In that budget debate, the hon. Minister of Works and Transport also talked about the introduction of countervailing measures to replace safety checks and balances. The emphasis was on safety and many of us would remember when he talked about having new personalized number plates. He talked about setting up licensed private garages for the checking of the safety of aged vehicles. He talked about having more traffic wardens. He talked about new computers. So many other promises that he made.

Mr. Vice-President, I made the point during the budget debate four months ago, that if you go to the Licensing Division, you would see that you still have to go in long lines. If you want to get a simple transaction done, you probably have to go into three different lines—to go to the cashier, to go where your form has to be checked and to go by a computer system that is very much outdated. So we are waiting for those long awaited changes.

That is not all in terms of the deception and the way they take our population for a ride. Here it is they talk about a financial trade-off and two weeks ago, we started to read reports about garages being set up and vehicles having to be inspected at a cost of \$165. We made the point in that budget debate about this change. If it is a case of taking it to the communities, we want to know what checks and balances will be put in place to ensure that little corruption takes place in terms of getting vehicles inspected.

**Sen. Prof. Spence:** Mr. Vice-President, I just wondered if the hon. Senator would not agree that the two things are not connected. One is for the safety of the public in testing old vehicles and the other is to do with licensing. I do not know that the two things are connected.

**Sen. N. Mohammed:** Mr. Vice-President, just to clarify. In that particular budget debate, the hon. Minister spoke about safety measures, but he also spoke about the new measure to remove the licensing of vehicles and the setting up of these garages for inspection and whatever it is, Mr. Vice-President—

**Sen. S. Baksh:** Mr. Vice-President, I would like to explain that we inherited a decaying system at the Licensing Division; one that, in fact, the torture that the public suffered, we could no longer afford to allow to continue. As such, we had a comprehensive range of measures. I indicated to the Parliament in 1996 that all these measures that included the licensing of private garages, a proper information system, personalized number plates, and a number of other measures, were all intended to modernize our transport system. We are pursuing that vigorously to

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ensure the safety of the public of Trinidad and Tobago in terms of the quality of air, in terms of the safety of our pedestrians, commuters. I thank you very much.  
[Desk thumping]

**Sen. N. Mohammed:** Mr. Vice-President, this is the type of deception that I am talking about. Two years ago he came and enunciated all these things. Two weeks ago, they advertised garages—I have the list here. List of approved auto garages throughout the country. Hear them, Sudama Ramlogan, Princes Town; Neal and Massy Motors, Ciperio Street, San Fernando; I would not go through; it is 32 garages listed.

The cry from the public, people who are genuinely concerned and want to comply with the law; people have been going to these various places hoping to have their vehicles, if they are five years old and more, inspected so that they will be complying with the law, only to find out that they have not put the necessary machinery in place.

Our concern with this measure, whatever the good intentions are behind it, is how are they going to monitor and keep checks on the system? This is a system that is ripe for corruption. We know how things had been operating. You had your vehicle to license, tell me if you would not—

**Sen. S. Baksh:** Mr. Vice-President, yes, we knew how things operated and I assure you that prudent management measures are in place to ensure the security and the integrity of the entire process.

**Sen. N. Mohammed:** Mr. Vice-President, they are like a one track, just like my peonic friend across there who is just caught up. It is a kind of brainwashing exercise that they have lived through all their lives. For everything, blame the PNM; it is the PNM that caused this and the PNM that caused that. You all are in Government. This is your turn to make things better. What we are saying is that this measure—

**Sen. Mark:** We are working on it!

**Sen. N. Mohammed:** I will be the first to admit that no government will be perfect. People will make mistakes. Governments will make mistakes and they pay for them. Citizens know how to use their index finger, especially in Trinidad and Tobago. We have paid our dues and so, too, one day will come when they will have to pay their dues as well. All we are saying is that whilst they are there in Government, for God's sake, try to run the country properly. If they complained that we were not running it properly, they should try to do it better.

What we are saying is that this system is a system that is ripe for corruption, especially with the events that have been unfolding in this country over the last three years. It is corruption galore. For years they talked about PNM squandering \$60 billion—part of the brainwashing exercise. I want to know how many millions heading into billions, they have been squandering in less than three years.

Trinidadians and Tobagonians are not stupid people. They know when and how to use their voting power. They must always remember it. Governments in the past have paid a price for not listening to the people. That is why in this parliamentary Chamber this afternoon, when we saw the group of workers who came from the University of the West Indies, we know they must not ignore the cries of the people. My colleague, Sen. Jagmohan, spoke about the tears of people. People are suffering. For a Government that has spoken so much about caring, equity and justice, what we see is that the gaps are widening and the Government ought to take stock. Instead of regurgitating the same thing, just like my peonic friend commented.

Imagine, in his contribution. Sen. Vincent Cabrera, apart from talking about the changes with respect to the garages system, went on to comment on Severn Trent and WASA. Mr. Vice-President, I thought Sen. Martin Daly was in the Chamber, because just a few days ago during the Easter vacation, when I am sure many of us would have visited the beaches throughout the country, I happen to be a Mayaro person and with so many people there, the water was, as usual, in very short supply. We had to go down to the WASA pumping station and what was very evident, with all the public relations and all the fanfare about distributing water by trucks, when you look at the realities of the situation, I really have to wonder at the economics and the mathematics of this so-called system that they have now introduced.

You have a truck driver being paid more than \$400 to take one tank of water that can fill three water tanks, depending on how many gallons the water tank can hold, from one point in Princes Town to probably Plum Mitan, or some point in Mayaro, or somewhere else; when, for less than that cost, you could have easily paid the existing WASA workers a little overtime to have the water delivered, or to man the stations properly so that there could be a better distribution of water.

**6.30 p.m.**

It just does not make sense, except that this was another measure designed for more corruption in the system. In their typical public relations style, they have just

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gone ahead to introduce this measure as though it is some solution to the water problem that we are experiencing in the country.

They came and boasted or condemned the PNM for the Severn Trent agreement. Under the PNM administration the Severn Trent agreement was signed, but when the UNC/NAR coalition government came into power, they had ample opportunity. I do not think Sen. Cabrera was in the Chamber at the time, but those who were here at that time would recall that very early, I think, within the first month of being in the parliamentary Chamber, Sen. Martin Daly had a substantive motion dealing with WASA and the Severn Trent agreement on the Order Paper. This matter was debated at length. The hon. Minister of Public Utilities came to this Chamber and spoke about the adoption of the Severn Trent agreement by this Government and that they have extracted their pound of flesh, in that they are getting a hardship relief programme, and pensioners would not have to pay increased water rates.

So many people have come to me, moreso pensioners, with their water bills. Whereas they used to pay \$200, they are now getting bills for \$2,000. That is the public relations *modus operandi* of this Government of deception and “mamaguyism”, fooling the people. But you know, they always say you can fool the people some of the time; you cannot fool them all the time. Every time I stand in this Chamber I have to remind this Government about this.

That is not all. Imagine my colleague, Sen. Vincent Cabrera, my peonic colleague, talks about Caroni (1975) Limited. He made the statement that no one should fault this administration for its handling of Caroni (1975) Limited because the Prime Minister went down to Caroni (1975) Limited and read the riot act. So what? He read the riot act, and not too long after the whole froghopper disaster broke out. The sugar mill in Usine Ste. Madeleine with the foreign-used parts, God alone knows if it is functioning. Perhaps our parliamentary secretary can enlighten us and tell us how many millions of dollars have been spent in the refurbishing of this mill and whether to this day it is working.

Yet they complain when workers ask for a small increase. Instead of 6 per cent they want their 10 per cent, to keep on par with what the other workers at UWI are getting. The Government is turning a deaf ear to the woes of these people, and having the students of this country at the university campus suffering. But you know, when it comes to Caroni (1975) Limited—and I am saying this in a non-partisan way—it is a real problem, as my colleague has pointed out time and time



again, just as the Unemployment Relief Programme. What is needed is competent management.

Here you have an administration in power, which for years had its leader heading the trade union movement in the sugar belt, having a profound say and role in the activities of Caroni (1975) Limited, and this same individual is today the Prime Minister of Trinidad and Tobago. If ever there is a government which ought to be in a position, perhaps the best position, to deal with the problems at Caroni (1975) Limited, it is this UNC Administration. Instead, in the two or three years of being in power, what are we seeing? Whereas under the PNM Caroni (1975) Limited was being weaned away from the Treasury, today, every two months, the hon. Minister of Finance has to meet some new demand of a few extra million dollars to run Caroni (1975) Limited.

That should not be. We have had so many studies done on that company. There was the Price Waterhouse Report; the Tripartite Report. The hon. acting Minister of Agriculture, Land and Marine Resources, who sometimes I like to say, I wish she was the Minister—there are so many actors on that side; I really wish she was the real Minister of Agriculture, Land and Marine Resources because perhaps we might have had some better management.

The present acting Minister of Agriculture, Land and Marine Resources could not indicate to us how many workers have gone or would have to go from Caroni (1975) Limited. The unfortunate thing is that whilst workers have to pay the price, the problem at Caroni (1975) Limited clearly has a link with the management of the company and what is taking place down there. It requires prudent, financial management.

If one looks at the measure before us today, one would see where more and more allocations were made to Caroni (1975) Limited for various purposes. Despite the financial incompetence and mismanagement, the wanton waste and corruption which is taking place there, plus the negligence and the kind of—look at the decision of the Minister of Agriculture, Land and Marine Resources which caused the froghopper disease to wreak havoc in our country to worsen the plight of our canefarmers in this country—yet, here it is, workers have to go, but in the meanwhile, not a person in the management structure is being removed or any attempt is being made to strengthen that position to make the company financially viable.

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I say this because I was shocked that notwithstanding all the scandals associated with Caroni (1975) Limited, I read only last week in the newspapers where the same board at Caroni (1975) Limited was re-appointed to run the affairs of the company for another term of office. Something has to be wrong. I wish that those in the Government who may have some say or some influence, can put some good sense into the operations at Caroni (1975) Limited so that the company can be turned around and be made to be financially viable, because it involves so many thousands of workers in this country. It just needs better management.

I call on the hon. Minister of Finance to please take whatever action and steps are necessary and not to allow himself to be influenced by any “Tom, Dick or Harrilal” coming and making requests for further funds. That seems to be exactly what is happening with Caroni (1975) Limited. Only recently I was told that four or five members—and I suppose from the Board of Caroni (1975) Limited—jetted off to Miami to look for markets to sell rum.

This afternoon one or two Senators made mention of the situation of Trinidad and Tobago now being touted as the country with the highest rate of alcoholism. There are more people drinking rum in this country. Do you know when that came about? Since this Government came into power, because you would remember, one of the first measures this Government introduced, very early—within a month or two of being in Government—was to extend the opening hours of shops to sell alcohol. It made alcohol more accessible and available in Trinidad and Tobago so that today we have the highest rate of alcoholism, and now Caroni board members are going to Miami and elsewhere to look for markets to sell rum. I wonder if they really went to look for markets for the company or they simply went on a joy ride, like so many of them seem to be doing. It is not just ministers jetting off; every “Tom, Dick and Harrilal” is going someplace.

We have spoken so many times about Caroni (1975) Limited and I wish the Government would really be serious. If it cannot transform Caroni (1975) Limited, then “crapaud smoke our pipe.” During the short time they have left in office as a Government, they should try their best to see how they can put Caroni (1975) Limited back on a sound financial footing.

We heard about the Unemployment Relief Programme. I know the hon. Minister of Works and Transport, under whose portfolio that programme once fell and under whose watchful eyes millions of dollars were overspent and to this day cannot be accounted for and, indeed, in the transfer of funds which is taking place, we want to see what is happening. We call on the Minister of Works and

Transport, whatever his connections are, this is an explosive, volatile situation. It is not something to play politics with.

**6.40 p.m.**

I remember when this Government came into office the hon. Minister of Works and Transport boasted and bragged that under this administration corruption is going to be eliminated in the URP. They were going to make it more efficient with less corruption, training programmes for women, but what has been happening? I remember a group of women were demonstrating outside this parliamentary Chamber to beg for their moneys for which they worked. We have to wonder what is happening. They are just shifting. It is like a monkey on their backs and they are trying to shift the blame and they have the gall to say that the PNM is responsible for the corruption and that we do not want accountability. We would like to see just accountability. Just as we would like to see Caroni (1975) Limited put on a sound financial footing, certainly we too would like to see the URP operating efficiently, because it is an important programme that has been assisting so many people in the country. Instead we have a Minister or Ministers, playing political football with such a very explosive programme in the country.

Mr. Vice-President, when they come and speak in this Chamber, we really have to wonder about their *modus operandi*, how genuine they are in terms of taking our country forward.

Mr. Vice-President, many of the transfers have been dealt with, but there was a particular transfer which I came across involving funds being transferred to meet the payment of our contribution to the Caricom Secretariat. For years Trinidad and Tobago has had a very good standing within the Caribbean region and our role and involvement in Caricom was certainly respected throughout the region. It is only since this Government came into office we had Trinidad and Tobago being laughed at by our neighbours when the hon. Attorney General hastily rushed off to sign the Shiprider Agreement—God alone knows what is on his agenda. Whereas the other islands were negotiating for the benefit of their nations, we just sold out lock, stock and barrel and we continue, under this administration, to be selling out.

With respect to our commitment to Caricom, we really have to question and wonder about this Government's position with Caricom. I say this because just a few weeks ago I remember Sen. Diana Mahabir-Wyatt had asked a question pertaining to the proclamation of the Immigration (Caribbean Community Skilled Nationals) Bill which was debated in this Chamber many months ago, when the

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hon. Minister of Foreign Affairs came to this Chamber and talked about the free movement of nationals throughout the region.

Whilst we are talking about this, and they assured us that by June of this year that Bill will come into effect, here it is we have a Caribbean man who happens to be working in Trinidad and Tobago and hosting a television programme being pressured by this administration by not being allowed to continue to work in Trinidad and Tobago. I plead with the hon. Minister of National Security, certainly in terms of our regional commitment—*[Interruption]* I know that there is a committee dealing with this—

**Sen. Brig. Theodore:** Mr. Vice-President, in response to this stirring plea from the hon. Senator, I wish to point out that the terms and conditions under which that Bill was passed prescribe certain categories of persons who would be considered under the Skilled Nationals Bill. Mr. Rogers does not fit the Bill.

**Sen. N. Mohammed:** Mr. Vice-President, whilst I have listened to the hon. Minister's explanation, it is difficult for me to accept that, because the spirit with which that Bill was debated in this Chamber gave the impression that here we have a Government that was really committed to encouraging the free movement of skills and labour in the region. If it is that Mr. Julian Rogers happens to be a graduate of the University of the West Indies or some other institution in the Caribbean, the impression we got is that this Bill was seeking to encourage the movement within the region. Yet, here it is the hon. Minister is getting up to defend the position taken by his administration when it is clear, as though in keeping with their trend for the past two years, they have been hell-bent on muzzling opposition at every level. They have been trying to muzzle and attack the media and infringing on our constitutional right to a free press and here it is they are seeking to prevent a person who hosts a very interesting, informative and open programme. Is it that they are afraid of free discussion in the country and the freedom to express ourselves?

Mr. Vice-President, anytime an administration is going in that direction—it is reflected in the words uttered by my peonic colleague, Sen. Vincent Cabrerra.

**Sen. Cabrerra:** Mr. Vice-President, I rise on a point of order.

**Sen. Mark:** Mr. Vice-President, I want to rise on a point of order before my colleague. I have looked up this word in the dictionary and I think under Standing Order 35(4) —

**Sen. Shabazz:** What word?

**Sen. Mark:** “Peonic”. Mr. Vice-President, “peonic” means—

**Sen. N. Mohammed:** The word is “peon”.

**Sen. Mark:** Mr. Vice-President, “peonic” means:

“Spanish-American farm labourer or unskilled worker; a debtor compelled to work off his debt.”

I mean to say, to describe a Senator in this context—

**Sen. N. Mohammed:** Mr. Vice-President, on a point of clarification. There is a second definition that he has not read and the Senator is misleading the Senate.

**Sen. Mark:** Mr. Vice-President, I ask you to look up this word and I think that the Senator should refrain from using this word. It is extremely derogatory and she has repeated it on about five occasions. Therefore, I ask you, Mr. Vice-President, that it be deleted from the *Hansard*.

**Sen. N. Mohammed:** Mr. Vice-President, with all due respect, the hon. Minister stood up and read a definition. The definition that I used when I described my colleague on the other side is aptly described in the second word “peon” and it is right there. If the hon. Minister allows me the opportunity to have the dictionary I would read it. It means “a foot soldier”. There is “a foot soldier” in the second definition just below that word.

**Hon. Senator:** How can you describe the hon. Senator as a foot soldier?

**Sen. N. Mohammed:** The hon. Senator sounds like a foot soldier, Mr. Vice-President. *[Interruption]* Not at all. He is a foot soldier of the UNC instead of a voice of labour.

**Mr. Vice-President:** Hon. Senators, I am of the view that regardless of what the word “peonic” means, it does not add to the Senator’s contribution. Therefore, I want you to continue and forget about using adjectives to describe Members of the Senate or any other House.

**Sen. N. Mohammed:** Thank you, Mr. Vice-President, and I would be so guided.

I was just on the verge of winding up my contribution but I wanted to make reference to the contribution, once again of Sen. Vincent Cabrerra because when he started off his contribution he talked about capitalism and consumerism and the

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language he used reminds me of the kind of indoctrination that used to take place long ago when people were studying Marx's and Marxist philosophy and so forth.

Mr. Vice-President, in this day and age the whole world is changing. We have been moving away from that kind of ideological mindset and hence the reason I used that particular word to describe the contribution of the hon. Senator, because he really comes across as a foot soldier of the United National Congress instead of truly representing the voice of labour in this Parliament.

With those few words I thank you, Mr. Vice-President, for affording me the opportunity to speak in this Chamber.

**The Minister of Finance and Minister of Tourism (Sen. The Hon. Brian Kuei Tung):** Mr. Vice-President, I thank you and Senators on the other side for a very lively debate. I realize that the Independent Benches seem to be decimated somewhat. *[Interruption]* I am sure that is in no small way because of the last contribution we heard. *[Laughter]* We have heard that speech before. It is the same speech we heard during the debate on the last three budgets that we have had. *[Laughter]* I had to restrain my colleague here because he kept wanting to jump up to ask about relevance.

**6.50 p.m.**

Let me also say that every comment that is made, even though we recognize this is a money Bill, surely it is taken very seriously by me. I listen because it is clear that the comments are going to influence our future actions even though they may have no specific significance on the dollars and cents as the case may be. The fact is, there is a qualitative aspect to the debate which we respect and certainly, of which we are very appreciative. I do not want to be very long-winded but I do want to start off with a very quick word on the question of the University of the West Indies.

I believe everyone on this side is very sympathetic to what is happening at the University of the West Indies. The students, we know, are beginning to feel—and if I were a student and that is the only way I could empathize with them at this time, I would be very disappointed at the total administration, whether it be on the union side or on the university side. I just think they would have lost and at the end of their term when they are just about ready, where all of their nerves are literally being wrapped up in knots and ready to just unleash so that they can get out of the situation, they are thrown into a quagmire which is not of their own making.

In my view, there is—and I hate to sound so strong— no leadership evolving out of that situation. I think that the students are really getting the wrong message and at the end of their first degree or whatever it is, they really must be at a loss. On this side I am sure I speak for the Government, that we are anxious to see a quick resolution to it and surely we hope that there would be a very speedy resolution to it.

**Sen. Rev. Teelucksingh:** Can I ask a question?

**Sen. The Hon. B. Kuei Tung:** Okay.

**Sen. Rev. Teelucksingh:** How come earlier on today some of the representatives from unions and the non-academic staff were here accusing the Government?

**Sen. The Hon. B. Kuei Tung:** I want to clearly state that the dispute which is now going on at the University of the West Indies has very little to do with the Government in that sense. Certainly not directly. The dispute is between the union, which is the Oilfields Workers Trade Union, and the administration of the University of the West Indies. The issue is that the administration of the University of the West Indies relies on the Government for its financing as we know, and it is not just \$3 million. The University of the West Indies costs us a lot of money and they have to justify the sum to us.

When we came into Government, we appointed a subcommittee of Cabinet whose responsibility it is to monitor public sector negotiations across Trinidad and Tobago, and that was deliberate. That was to ensure that we did not have the tail wagging the dog or particular areas running off in one area and setting benchmarks that we could not live with. I am not saying that UWI is a benchmark. I am merely stating that the University of the West Indies has to finalize its negotiations and we did have the ministerial committee look at what was going on. As far as we are concerned, we are out of the negotiations and, maybe, much to our own detriment.

I was indicating to some of my colleagues on the other side, maybe, the problem has been that there was no professional industrial relations person handling the negotiations on behalf of the UWI administration and it caused the thing to run in a particular way and maybe, if Minister Mark was there it would have been settled. I am glad because I also got him to settle down and allow me to make a contribution on his behalf. I would not have liked to hear him blow his own trumpet. I have an opportunity to do it. He certainly has one. He has every reason to be proud. Since we have come into Government, the Minister can boast—and

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this is a track record that no one can take away from him—that he has settled all outstanding collective agreements for the public sector for the period 1990—1998. It has never been brought up-to-date by any previous administration and I have a whole list here. [*Desk thumping*]. They include: teachers, prison officers, fire officers, civil servants, police and daily-rated workers. There is a whole list of people whose negotiations have been settled and brought up-to-date and that is part of the reason why I have said that this is part of the debate we have here today. It is because we have been able to settle many of these issues and because I have not been able to budget precisely how it was going to end up.

Let me talk a bit about the question of public sector negotiations. I have asked Senators today to finalize what has been discussed as non-cash mechanisms that have been offered. The non-cash mechanisms were available to the public sector employees from January 1 to December 31, 1997. I could not have come earlier. For me to have come earlier, I would have had to close the books earlier but as long as the books remain open up to December 31, then every public sector employee had an opportunity to come up to the December 31 and say I want to use one of the options available to me. To suggest that I knew about this issue long ago and did not come, is really being mischievous because I could not have come until the books were closed. The public sector employees had ample opportunity to exercise those options which were made available to them. It is for that reason that the amount, as said by Sen. Dr. St. Cyr, has come up to about \$380-odd million. Those are all the mechanisms. As a matter of fact, a number of them were applicable to previous years and I had taken the pains to explain that in my introduction to this debate.

One of the things which I failed to say when I first introduced the Bill, was that another large measure in what I regard, in layman's term, as an in-and-out, because the money that was borrowed on behalf of Petrotrin is being lent to the Government for it to be on-lend onto Petrotrin. In other words, it comes in therefore as a loan receipt; it comes in as income and it goes back out as expenses.

I am required that every time I have to expend money that has not been budgeted for, to come to both Houses and get it approved. I have to come here even though it has no bearing on the final outcome because the exact amount which comes in is the exact amount that is going back out to Petrotrin; so it literally has no effect on the surplus of the budget. I should have explained that, because if I had done that, maybe, we would have been home a little earlier.



I am saying, therefore, that the \$300-odd million was for the public sector employees which is really unavoidable and \$226 million, in number, was for on-lending to Petrotrin which comes in and goes back out and, therefore, has no effect whatever on it. That is because the two institutions that lent insisted that they lend it to the Government and not to Petrotrin and, therefore, the Government has borrowed the money. This loan was arranged many years aback and it has to be honoured. It was finalized in 1997 and that was when we realized that some of these on-lending had not been booked and, therefore they will have no effect in that case. Having said that, therefore, let me also indicate that I had included a list of all the transfers. On the question of priority, I really do not know what the thinking of any Minister is when he reorganizes what is his priority, but there are some guiding principles which help us and which help the Budget Division to support the requests for transfers or virements, as it is called, between heads.

For argument sake, if it were a capital or development expense, we as a Cabinet have taken a decision that we will not sacrifice capital or development expense for a recurrent. In other words, we will not use what is regarded as capital moneys for recurrent, that is, to pay for minor equipment and purchases of goods and services as the case may be.

I hope that has somewhat cleared up some of the misconceptions that have taken place. However, within recurrent, from time to time when they reorder priorities, instead of buying a particular piece of equipment they could decide that they could use something else or they may reorder projects. I know Sen. Shabazz questioned some of this reordering. I know for a fact that most of these go through a torrid time. We have gone through very lean times as we know and even now we have to be careful about the money we spend and how we spend it.

Incidentally one would find that a lot of virements take place towards the end of the year and if a project has not yet been able to get off the ground and one realizes one is not going to get that project off by year end, sometimes because of the reordering of priorities, something else takes its priority and instead of allowing the money to lapse, some Ministers ask whether the money could be spent for another worthwhile project. It is not that we have sacrificed specific projects or programmes. Generally, it is because a project or programme could not be achieved or get started in time or the money is being diverted to another project.

**7.00 p.m.**

What I would like to do, therefore, is spend the next few minutes talking about some of the specific issues that were raised. I heard Sen. Rev. Teelucksingh say something that really boggled my mind. I heard that there were 400 bars in a 100-yard strip. Did I quote him correctly? When I tried to do a little mathematical calculation, it meant that each bar was nine inches wide. I could not understand. Was he talking about bars of gold? That is the only thing that can fit in a nine-inch space for 400 bars to fit. *[Interruption]* But how does one fit 400 bars in 100 yards? That means that one bar fits into one quarter yard. I really meant to interrupt him to ask about it, but I understood that he was reading from something.

It can happen but the way for that to happen is if he takes 100 yards, 50 miles deep, he will probably get 400 bars in. However, I am sure that was not what he intended. Even if he had multiple stories of bars, it still does not make sense. There is no way I can see 400 bars fitting in a 100-yard strip. *[Interruption]* I just thought I would try to understand in my own mind how that could happen.

Sen. Dr. St. Cyr talked about deficit budgeting. I am sorry he is not here to hear me reaffirm that I am really committed not to going back to any form of deficit budgeting. I hope I have been able to explain the \$300 million. Incidentally, I did have a comment I was going to make on that. I have been able to achieve a number of savings in a number of areas under the different heads, sub-heads, items and sub-items in the budget.

One of the options available to me was to come with a host of transfers from all the savings to show how we would meet some of these requirements. I really felt it would be a ghastly amount of paper work to give the Senate all the savings that I have been able to achieve in 1997 under every sub-item. Some of them were even small—\$100,000 here and \$150,000 there. I thought it would have been much easier to convince my Cabinet colleagues for me to ask for the increased spending and try to justify it, rather than my coming here with a host of transfers to show how we would still have been able to end up the year.

I say that because, if I had this approval from you, I could then close the books and still demonstrate that we are committed to a surplus budget. I want us to understand that as Minister of Finance I take the responsibility of achieving a surplus very seriously .

As we close the books, there are a number of things that we must clean up. If I do not have them cleaned up, they will linger on without being addressed and

would really come to haunt us later on. I try to ensure that we do as much as we can in terms of cleaning up.

One point that came up in the debate was the question of utilities. Over the years, ministries have had a thorough time trying to make ends meet. They have gone through a very depressed period and a period of adjustment. One of the trends I have noticed over the years is that we tend to avoid paying our utility bills. It is almost as if we have to pay ourselves and it was not necessary. However, all the utilities began to suffer. I remember one time that the police had no telephones because they did not pay their bills: they did not pay WASA; they did not pay TELCO; they did not pay water rates; they did not pay electricity. Some ministries were embarrassed because T&TEC was threatening to cut their lights and so forth.

What was even worse, the state enterprises that got into that position went even one step further. They would be given money to pay salaries and they would keep the money required by the Board of Inland Revenue for income taxes and for national insurance even though they were statutory deductions. They did it with a certain “don’t-care-damn” approach mainly because money was tight.

One of the things I have asked the ministries to do, in closing their books, is to make sure that we meet our liabilities as best as we can. There is a host of payments that we would want to make to the utilities to ensure that we bring everyone as up-to-date as we possibly can.

Sen. Shabazz raised the question of overseas travel and maybe I just want to make a quick comparison of what I have here to show you. I would use just three years to indicate how overseas travel really has not gotten as out of hand as was suggested by the other side.

In 1990, the figure was \$7 million; in 1995, the figure was \$8.8 million, so \$12 million—and incidentally, part of that amount was an overlap; there is always an overlap from year to year—is not too far from what has been spent as a norm. Some years expenditure can be as low as \$6 million.

**Sen. Jagmohan:** How does this overlap come about?

**Sen. The Hon. B. Kuei Tung:** An overlap comes about when someone travels and he does not submit the bill in time for the closing of the books; or they have an advance and they do not retire the advance in time for the closing of the books. There is always an overlap.

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The point has been made sufficiently by Sen. Cabrera and I do not want to belabour it, that the time when we see Government Ministers' travel as a perk is long gone. We have to understand that we are not talking about real extravagant and luxurious travel—and this is not allowed because there are rules and regulations that govern the amount of money that a person is allowed to spend on a trip. A person does not get entertainment money and if he does not account for his meals, he cannot get more than \$X per day, so it is really not extravagant, but a critical and necessary part of our government and political life that has to be recognized.

Incidentally, this number does not only include politicians or government ministers. It includes much of the public service who have to travel on government business. I am not even talking about those who are government ministers because there are times when delegations go off without government ministers and it is paid for by the official overseas vote; that is public servants who represent government at any level. As long as it is a government delegation, it is normally charged to overseas travel. So, please do not see this as \$12 million being spent by Government Ministers, but as being spent by Government, including public servants who travel on government delegations.

I do not know how Sen. Mahabir-Wyatt knew that I had a meeting with Permanent Secretaries. Obviously, she is in close contact. It is strange, but it is only when I was in a crunch because of the depressed oil dollars that the idea occurred to me. She is right. It should be happening on a regular basis. If there is one group of persons who can assist me in meeting my financial objectives, it has to be the Permanent Secretaries. They are each generally the accounting officer in their ministry and, therefore, has an opportunity to keep a lid on expenses. If they have no feel for me in terms of direction, then they are operating literally in the dark.

The idea came to me that I should really be talking to the Permanent Secretaries about what is happening. Initially, I proposed to talk to them on a quarterly basis to get some feedback. I have thrown a challenge out to them to ask them to help me to raise other revenues. There is much revenue that falls through the cracks. Other than that, they can come up with ideas and suggestions as to how the Government can cut costs in their respective ministries and we would consider a suggestion award. That has not quite been worked out, but I know it worked very well in the private sector and it is something which I am anxious to implement in the public sector.

I remember the question of the leave passage for the retiring judge. It comes back to the question: Surely someone knew he was about to retire? It is because of the lack of trained accounting personnel. That is one of the things I found in many of the ministries. Many of the ministries depend upon accounting officers who have very little understanding of accounting. They do not even have trained accountants in the ministries. Again, part of the problem has been because we have not paid proper salaries to top public servants and have lost many of them.

Just within the Board of Inland Revenue within the last two years, we have lost two qualified accountants: one went into his own private practice, which incidentally is something which normally happens. As soon as they go to the Board of Inland Revenue and get some experience, they go into private practice and end up having the same clients who have to deal with the Board of Inland Revenue. The other one went to AMOCO and, obviously, there is no way the public service will compete with AMOCO in terms of salaries. As long as we continue to pay these ridiculous salaries—and I say ridiculous deliberately—we will continue to lose our best brains in the public service and this is something about which I have had discussions with a number of people. I hope that I can get some support from this honourable Senate when we come here with a measure to address that issue.

If there is anything that I have missed which anyone would like to ask, please feel free to do so.

**7.10 p.m.**

Sen. Prof. Spence I would welcome if you had moved the debate on an economic policy with a private Member's motion, because it would have given me an opportunity as well to elaborate on many of the economic policies which we have pursued. We have developed a number of policies including the diversification policy, incidentally. To answer two questions at the same time, I am committed that every time there is a sale—and I am sorry that Sen. Dr. St. Cyr is not here because he asked the question about an answer which I gave about two weeks ago. The answer had to be specific because the question was specific. It asked in specific terms if one is selling "x" state enterprises what specific liabilities would we plan to pay off? There are no specific liabilities in the budget which say if this is sold, this particular liability is going to be paid. I could not say if it was public sector liabilities, or a liability for a loan and, therefore, because the question was so specific, the answer had to be given in general terms, which is, the money would come into general revenues and then be used. It was not intended that it would be identified for general revenue purposes.

If one looks at what I have done in the past budgets, I had made sure that the capital budget far exceeds any amount of money we would receive from capital receipts as a result of the sale of state enterprises. So if, for argument sake, the Government decided to sell the 9 per cent which it owns in Trinidad Cement Limited, that could raise as much as TT \$130 million at today's market value; some people may not know that. While that amount of money comes into general revenues, it is really part of our approach to ensure that our capital and development budget, which includes investments, far exceeds the receipts which we get from state enterprises. I think it was last year we sold the Trinidad and Tobago Methanol Company and received upwards of \$750 million for it and that money was intended to be a part of the \$1.5 billion which we would have spent on capital budget. Last year we spent almost \$1 billion, but we still sterilized \$500 million out of it for an infrastructural development fund. I am sure you remember those words, when I came to Parliament and said it does not seem that we are going to spend all of our capital budget, and I want to sterilize part of it, the reason being that it was money which was earmarked by the Government for capital development.

Our diversification policy, incidentally, is not just to diversify. We do have a policy which says that we would invest in areas where, firstly, there is a foreign investor who wanted the Government for a partner. There are some foreign investors who come in and would like to have a Government partner because they like to know that they have a partner that is Government, just in case the Government will not one day say it wants to nationalize or change course. At least they are in tune with how their partner is thinking, and there are some investors who insist that they have Government as a local partner. That is one area which we would consider, because it means that we would lose the investment if we do not go in.

Secondly, if there were no local or foreign investors who were willing, and we considered the enterprise as critical to our economic development. I can think of one offhand, but you may misunderstand me. If, for argument sake, we did not have a British West Indian Airways (BWIA) but we were concerned that if we did not have an airline we would lose air links with the rest of the world, and no one wanted to do it, then the Government, as a policy, may consider investing in something like that. I am not saying that because—I do not want to give the wrong message now about BWIA, but I am just giving that as an example.

On the other hand, our diversification policy really is that we do not intend to hold on to shares indefinitely in companies which do not have a strategic economic importance to the Government. That is debatable, as to whether it is strategically important to the economy of Trinidad and Tobago. Just like cement. We hold 9 per cent, and in the case of minorities, we do not see any critical need to hold on to them. We would not do what Mr. Valley attempted to do by winding down our majority share from 51 per cent in TSTT to a minority for no reason. A minority only weakens our position without giving any added value.

In terms of Caroni (1975) Limited and the others, as Sen. Prof. Spence has said, there have been any number of studies done on these state enterprises and I want to call four of them. Caroni (1975) Limited, Petrotrin, Tanteak—the real name I think is Trinidad and Tobago Forest Products—and the Agricultural Development Bank have been identified as four very troublesome state enterprises which we have to address. A 12-or 13-member committee headed by Mr. Jivan Ramcharitar from Price Waterhouse, has been appointed to look at all these reports. I think Bhoew Tewarie's name was on it and there are a number of persons from labour, business and Government on this committee. There are also officials from the Ministry of Finance on it and their role is to tell us the options which are available to return these four enterprises to viability. We are hoping that when they do so, we can start taking quick and decisive action as to what to do with them. For the time being, we insist that they do not do another report, but instead, we want the actual viable options. We want an action plan on how to turn them around, or what to do with them.

Sen. Dr. Mc Kenzie talked about compensation for acquired lands, and the fact that over the years, many persons have had their land acquired and had not been compensated for it. It is something which engages much of my attention because from year to year, I have tried to find a programme which would allow us to bring this as current as we can. I think the figure is about \$50 million in liabilities and I am pretty sure that in the next two to three years, I would be able to adjust it and bring it current. *[Interruption]* No, not 33 years, two to three years. I know that we are going to be here for 33 years, but I only need two to three years to bring it current.

I want to make two small points concerning licence fees. In the first place, when we removed licence fees, we said that we were going to compensate for that with a small increase in gas and I think that the motoring public has been happy with that because they do not have to face that annoyance and irritation at the

beginning of each year. If one has a new car, for five years one does not have to face down there. What is now being introduced is safety on the roads so when your car is five years old and over, every two years an inspection would be required.

We have also introduced within the last two years, foreign-used vehicles, therefore, our concern is not to annoy the motorists, but to ensure that the vehicles which are on the roads of Trinidad and Tobago are roadworthy. We would do that by having vehicles which are five years and older inspected. It does not matter when they came into Trinidad, as long as they are more than five years they have to be inspected.

**Sen. Mohammed:** Hon. Minister, with respect to the new system with these garages which are all over the country, what checks and balances are put in place to prevent corruption and to ensure that the system is not abused?

For example, if I want to get my car which is over five years inspected, you know how things operate, if I know the garage owner I may not have to go and repair my vehicle.

**Sen. The Hon. B. Kuei Tung:** There is a simple system for that with a very simple answer. One would have a sticker in the car which would indicate which garage did the inspection, and if the licensing officer stops you and finds that the car is not roadworthy, but you had an inspection, we would query that garage and find out why was a sticker given to a car which was not roadworthy and eventually, the garage would be struck off the list, penalized, or both. There are systems which could be put in place to ensure that there are checks and balances.

**Sen. Mohammed:** I know that I am taking away your time, but these are concerns that John Public have been raising over the last few days. We have read where the system was supposed to be operating about two weeks ago and the police can be in the street enforcing this law. Is it functioning at this point in time?

The other question is, at the time when the removal of the motor vehicle tax took place, there was also a change in insurance policies for motor vehicles; what system is being put in place to ensure that motor vehicle drivers and owners are properly and duly covered by insurance policies that are valid?

**Sen. The Hon. B. Kuei Tung:** As I have said, I am not the Minister of Works and Transport, but I am aware that there is a committee which is addressing all these points. It is not law yet, and I think that is why they are trying to bring the



motoring public on board with them. That is why the advertisements were out, not to indicate that the law is ready. It is a pity that the advertisement was framed in such a way that it caused persons to rush to these garages. The motoring public should have been informed that that was the approach which the ministry is planning to take and, therefore, garages that wish to apply could have done so.

Persons had been applying over the years and they had begun to formulate a listing of all the garages to be considered, but we do not want to necessarily leave out a garage which may consider itself as willing to work for the state. There is going to be a whole comprehensive package coming out and we are hoping that the legislation would be ready very soon. It is something which we had been working on for the last two years, and it has not been easy.

The only other area which I was going to talk about was that of the water woes and I like the Senator's suggestion that rather than paying \$400.00 for a water truck, the employees could have been paid overtime. I am sure that must have been the PNM's way and I support it entirely. The problem is, when the person is paid overtime, there are no pipes leading to that area, so I do not know what tap they are going to turn on when there are no pipes in Plum Mitán. *[Interruption]*. WASA does not have enough trucks that is why we had to do the blitz and the blitz had to be that we use as many—I do not think that the people of Trinidad and Tobago understand. I do not think the people who get water—and they are precisely the people who live in urban areas or the East/West Corridor—appreciate the hardships persons have to undergo for water in the rural areas. I read with amazement where the Member for Diego Martin East said 160 out of the 180 trucks go to rural areas. They must, because those are the areas that are starved for pipe-borne water and the areas which previous administrations had failed to address in making sure that these people get water.

Where there were pipes, at least 50 per cent of the water was lost because of broken mains, leaking mains, and corrosion in the pipes. I can tell you, I know about this because whilst I was in Washington last week I took the pains to meet with the World Bank to understand and discuss where we have reached on the matter of a loan to replace the mains. It is a huge loan, but one which we consider to be critical for the development of Trinidad and Tobago. What is even worse, is that our industrial development has put much pressure on our water resources because we have literally been a victim of our own success.

With these few words, Mr. Vice-President, I hope that I have addressed all the issues which have been raised by Members on the other side.

*Finance (No.2) Bill*  
[HON. B. KUEI TUNG]

*Tuesday, April 21, 1998*

I beg to move that a Bill to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the year ending December 31, 1997, be now read a second time.

*Question put and agreed to.*

*Bill accordingly read a second time.*

**Sen. The Hon. B. Kuei Tung:** Mr. Vice-President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

*Question put and agreed to.*

*Question put and agreed to, That the Bill be now read a third time.*

*Bill accordingly read the third time and passed.*

#### ADJOURNMENT

**The Minister of Public Administration and Information (Sen. The Hon. Wade Mark):** Mr. Vice-President, I beg to move that the Senate do now adjourn to Tuesday April 28, 1998 at 1.30 p.m

I would like to inform my colleagues that I have spoken with Sen. Prof. Spence and Sen. Mohammed and they have agreed that instead of pursuing Private Members' Day next week Tuesday, we would, in fact, focus on Government Business. I therefore inform the Senate that we would continue the debate on a Bill entitled "An Act to reform the law relating to dishonoured cheques and similar negotiable instruments", as well as the National Library and Information System Bill which we would try to complete.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 7.27 p.m.*