

SENATE*Thursday, October 22, 1998*

The Senate met at 1.31 p.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**PAPERS LAID**

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the Institute of Marine Affairs for the year ended December 31, 1997. [*The Minister of Public Administration (Sen. The Hon. Wade Mark)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the National Carnival Commission for the year ended July 31, 1995. [*Hon. W. Mark*]
3. The Provisional Collection of Taxes Order, 1998. [*Hon. W. Mark*]
4. The Motor Vehicles and Road Traffic (Amendment) Regulations, 1998. [*Hon. W. Mark*]
5. The Privileges and Immunities (Conventions of LOMÉ) Order, 1998. [*Hon. W. Mark*]

**APPROPRIATION BILL
(BUDGET)**

[THIRD DAY]

Order read for resuming adjourned debate on question [October 20, 1998]:

That the Bill be now read a second time.

Question again proposed.

Sen. Prof. John Spence: Mr. President, I would first like to express to my Senatorial colleagues, my regret that I was unable to be here yesterday. It was unavoidable.

I would like to make my comments in three sections really, and I do not intend to be too long. The first is to state my position on particular issues that are relevant to the budget. I must say that I do not have any great issue or objection to

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any of the issues in the budget, but I would like to comment on a few of them. It is only perhaps, in the agricultural sector that I may have some substantial disagreement. Then I would like to make a few comments on what I perceive to be Government's economic policy. I know that we are going to discuss this again under Sen. Dr. Eric St. Cyr's Motion, but I think it is important for us to make a few comments at this stage because the hon. Minister did say that he was going to introduce a policy statement in this budget presentation and he does have some comments to make under what he terms policy. I then would like to comment on the agricultural programme as enunciated in the budget, particularly.

My first comment is on health. I support fully the drive which is being taken to provide cardiac surgery for young persons. I think it is extremely sad to know there are young persons in our country who have conditions that may be cured and treated, but cannot be because they do not have the financial resources to go abroad. As Senators may know, I myself have had cardiac surgery and so I am particularly sympathetic to this situation. A provision for health has got not only to take care of the difficulties that are being experienced in the existing traditional areas—real established hospitals—but we have to ensure that the facilities at Mount Hope, which is what we are going to be using for this cardiac surgery, are kept up-to-date.

Yesterday I had to do some tests at Mount Hope and I noticed that in one test the person doing it seemed to be taking a rather long time in being careful. I myself was a bit concerned that, perhaps, a very long time being taken meant there was something wrong being seen in the machine. In fact, the person doing it must have sensed my disquiet because she said to me, "This machine is a dinosaur, you know. It is 10 years old and really modern equipment has been produced since this which will allow me to know a lot more about what is going on inside your heart." I say that to emphasize that we must not just assume that Mount Hope is a marvellous institution that does not need upkeep. It certainly does, and after 10 years it certainly needs to look to what equipment we might be using to help these young people with cardiac surgery.

To comment on education, I do not see myself, the measures as outlined in the budget, except one which I shall mention, leading to a revolution in the education system. I find it very difficult to understand all the talk that is being made about revolution. For example, I cannot see that the removal of the Common Entrance Exam, if and when it occurs, will lead to a revolution. This is merely changing one

system of selecting students from primary to secondary education to another. Of course, while there are problems with the Common Entrance, I have no doubt that there would also be problems with whatever system put to replace it. In Trinidad and Tobago we have a propensity for not trying to fix the arrangements or the institutions that we have, but to try to replace them by new ones. In fact, if one looks at it carefully, at what is being said of the system that might replace it, indeed, there will still be examinations. So basically, what we are doing is to improve the Common Entrance Examination. That certainly is not a revolution.

The deshifting of schools. I cannot see this in itself would lead to a revolution in education. No doubt it is very good for the young people to have the school deshifted, but let us be clear as to why the shift system was introduced in the first place. It really was intended to better utilize the capital that one has invested in the buildings. I am told that in Hong Kong schools are used, not just twice but, perhaps, three times a day, with kids going back and forth in the same building. That is not to say that I am opposed to deshifting. I think it is a good idea but let us not assume that is going to cause a revolution in education.

Again, in the meanwhile, until we can deshift, there should be other ways of dealing with the problem of kids being out on the road, unsupervised during hours when they would be in a normal school. That is, the schools that have the shift system should be looking for ways of providing activities for the kids at the school, perhaps in playing fields and so forth; in the morning for those who come in the afternoon and *vice versa*.

The one provision in the budget which I think is going to be extremely important and which to my great surprise has come in for some criticism, is that of providing computers for the whole of the school system. As Senators will recall, for the last two and a half years, I have been urging that we move in this direction. So I certainly support it fully. It is perfectly clear that the Minister of Finance did not intend that there should physically be a computer in each classroom as some people have seemed to suggest. I am sure that it will be clear that the intention is to provide proper facilities in the schools and security before the computers are put in. There will be training of teachers. Really, all one needs finally is one computer room which will house all the computers, properly air conditioned or dusted and, secondly, perhaps only one trained teacher or two so one is acting as a relief and the other is acting as the main teacher.

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I found it extremely difficult, some of the comments—I did not hear any yesterday, of course—I saw on the television coming from Members of the Opposition. This, indeed, will provide for our children, a revolution of their educational system. But let us look at the really important aspect of this provision.

In our society, what is happening now, is that those parents who can afford it are providing the facilities for their children in their homes. If we do not provide it in the schools there would be a large part of the population that will not receive this sort of opportunity in their educational system. They would not get it at home because the parents cannot afford or do not understand the need for it even if they may be able to afford it. So, I think this is an extremely important development and I fully support it. I hope that next year we could go a bit further to reduce the ratio of students to computers. So I give the Minister of Finance full marks for this development.

Sen. Kuei Tung: What are your comments on distance learning with respect to revolution in education?

Sen. Prof. J. Spence: I think that distance learning is perhaps important. I myself have some reservations as to distance learning. Indeed, I suppose it depends on what one means by distance learning. If one is thinking of replacing the face-to-face contact with teachers and other students in the classroom by television learning or degrees by television and so forth, then I am not so happy about it. A greater revolution in learning should come about in the way we do our teaching in the classroom.

I have a son who teaches in a school in the United Kingdom and he took me into his classroom one year when I was there. The first thing he said to me was, “You notice there is no blackboard at one end of the class which you are accustomed to in Trinidad.” Even now in Trinidad and Tobago, most schools have a blackboard at one end and then rows of desks with seats and the children looking at the blackboard. My son's classroom consists of, perhaps, a dozen tables with students sitting facing each other at these tables, six students to a table, and he as the teacher, walks between the tables giving the students assignment which they work out with each other and teaching them the particular subject that he has to teach. In other words, talk and talk as it is referred to, is the way out. That is a revolution in the education system. [*Interruption*] No blackboard at all. A blackboard for pinning up posters. All around the classroom are posters of different educational aspects that students can look at during the course of their time in the classroom.

I noticed an article in yesterday's paper about Jamaica, in which apparently there has been a study done by someone in the university saying that Jamaica is still using chalk and talk. Then one of the teachers in one of the schools is denying that this is so saying, no, Jamaica has moved away from this system. I can tell you that my son became a teacher because he was so horrified with the system of teaching in Trinidad and Tobago. We lived for a year in the United Kingdom and they went to school there; the first year of secondary school was in the United Kingdom. He then came back to Trinidad and went to a prestige school—the prestige school. *[Interruption]* Not Queen's Royal College, I must say.

Mr. President, after a week the first thing he said to me was, “Daddy, I do not understand the method here. In the United Kingdom we participated in the teaching process. We could ask the teachers questions.” He could ask his teacher a question. Here if you dare ask a teacher a question, not only did the other boys hail you but the teacher shuts you up immediately. That is the revolution we need in our teaching here. As far as I am aware, that is still the system, except in the junior schools. I think my children got a better education in nursery school than they got in this prestige school from the point of view of education, of teaching them to learn rather than teaching them facts.

The problem with distant learning and the technologies that you develop, even the computer technology must be used with caution, otherwise what you will do is to put the emphasis on imparting knowledge and not on education. If you educate the person, then they can acquire the knowledge on their own through computers, Internet and the like. So I am fully in support of that development.

Some other individual comments that I would like to make. By the way, Mr. President, on education, it seems to me a pity that there have not been any further mention of the community college. I gather, in fact, from speaking to the President of NIHERST, that it is progressing. We have had resolution based on a Motion I made on tertiary education, where it was agreed that we should look at the possibility of a technical university instead of a community college. As far as I am aware there has been no move in this direction. So we pass these resolutions—I will come later on to the one we passed in agriculture. I suppose we pass some because it is not good politics to oppose them. We really have no intention of moving further along the way. I certainly hope that we will look at that aspect again.

Again, very rapidly, we are moving towards a situation where we are spending a great deal of foreign exchange on paying fees to foreign universities to do

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degrees in Trinidad and Tobago by distant learning, in effect. Every little polytechnic in the United Kingdom that has become a university is offering courses in Trinidad and Tobago and we do not offer them on our own here. So I think it is extremely important that we look at that aspect.

There are two points I would like to make which do not actually occur in the budget. One is very topical and the other, I am sure, means expenditure although it may not be shown in the budget presentation. The one is pitbulls. I am entirely in support of the Government's move to ban pitbulls. It horrifies me to think that there may be some backing away from this as seems to be suggested in a recent news conference we saw last night. So, certainly, let us move in that direction. That is an aside.

Another point which does not appear in the budget is the desalination plant. When this was first mooted, I asked the Minister of Public Utilities whether he would not look at the alternative methods for supplying water to Point Lisas. The argument that is being used is because there is a break in the pipeline, we should go for desalination. That is a false argument. The break in the pipeline may be an argument for a dedicated supply to Point Lisas, but not necessarily through desalination. Then now, because this has come up, there is suddenly talk of more desalination plants.

This is a good time to talk about it because anybody who has experienced the floods for the last few days will realize there is a great surplus of water in Trinidad and Tobago. What I would like to see and what I am still asking for, is an alternative study as a study of the alternative approaches to a dedicated supply—that is what is needed—to Point Lisas other than desalination. I have tried to look at it myself. I have here a hydrological map of Trinidad and Tobago which shows the areas where water resources are available. It happens that the area closest to Point Lisas is one which does not have a surplus of water, but there are areas adjacent to it which do.

What one has to look at is whether bringing water in those areas and having a pipeline to Point Lisas is not a better approach in the long run. I do not know whether it will involve more capital initially, but certainly, in the long run for the recurrent cost of the desalination plant and the upkeep and the possibility that that too may break down. We are famous in Trinidad and Tobago for allowing

mechanical things not to be serviced and then break down. There may be a rupture in the pipeline, but who says the desalination plant would not break down?

Incidentally, I am told by people who know, that rupture in the pipeline was most exceptional. Apparently pipelines usually crack, this one broke with a big hole and there certainly must be an investigation as to why that happened because I am told by the experts it is a most unusual occurrence to have a break of that sort and it is unlikely to occur again if one does the job properly.

1.50 p.m.

Mr. President, I would like to make a comment on the old age pensioners. I am fully in support of the increases given to old-age pensioners and I am very glad we have moved in that direction. I think the Government must continue on this line, with our support. I have a little problem with a statement, not only made by the Minister, but which was again repeated by Sen. Gray-Burke and I also heard it being repeated by the Prime Minister, that this measure, the increase to \$620, has now brought these persons above the poverty line.

The hon. Minister was careful to point out that the \$620 was designated in 1992. If one takes inflation from 1992 to now, it would be perfectly clear to anybody with a little common sense, that it could no longer be the line in 1998. So yes, we should give them full support and credit for having given an increase. We must not assume that the job is done and that we are now above the poverty line. We are not. This, again, emphasizes the importance of a law that was passed some three years ago in this Parliament. That law was the provision in our national accounts providing a separate line for unremunerated work. I am particularly referring to an amendment that I proposed and was instrumental in getting tacked on to that Act, namely, that every three-year period we should have a household survey. The only way that we could follow what is really happening with respect to poverty—rather than the emotional discussions that we may hear on political platforms about where is poor and where is not—is by actually studying the situation in Trinidad and Tobago.

I would prefer an annual survey as is done in the United Kingdom. This tells us a great deal, not just about poverty, but about the actual situation in homes as to the effects of poverty. I compromise in three years because it is a costly exercise and perhaps we do not have the funds to do it every year. We have not even done it once, and I see no plan or suggestion that we would do it.

This leads me to another point, Mr. President, which I mentioned recently and I want to mention again. We should really move towards the American system

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whereby we do not pass bills, unless at the same time we budget the financial provisions for clearing out the functions that we have set up in that Act and provide them at that time, and then the Minister of Finance is mandated to include a provision in the budget for the particular budgetary item.

We continually pass bills here and we do not know if it is ever going to be implemented because the money has not been provided. Surely that is making nonsense of the whole legislative system. Some of these bills are extremely important. Sure, it is a question of priority, but in this case I am saying that we would have to give a great deal of priority to know precisely what is happening. So when we give old-age pensioners an increase we know, indeed, how much we have helped them or whether we have helped them at all.

With respect to the national insurance increases, I, again, am fully in support of that. Clearly I agree with the Minister of Finance that it should have been done before. I am glad it is being done now and incrementally increased. I am glad that it is going to apply to existing retirees as well as those who would be coming in the system now.

Mr. President, at this stage I would like to ask the question: what about Government pensioners? Again, I realize that it is a question of financial resources and what it is going to cost. I hope that it does not mean that the Government has entirely forgotten those government pensioners who are living longer and many of whom—I could name a number of them—have given long, dedicated and worthwhile service, in the days when there were not the complaints that we get now about the performance and efficiency of the public service. These are people who have served well and who are in dire straits now, because if one has retired for 20 years the pension was small to begin with and, clearly, now it is really quite unable to support the lifestyle to which one has been accustomed.

With respect to employment or unemployment, the Minister of Finance in his statement quoted a very favourable figure for the unemployment rate and certainly the Government is to be congratulated for the efforts to make this a downward trend. Again, I want to put in a word of caution. I have here an analysis of the budget done by Price Waterhouse and Coopers. With respect to employment, I will read a paragraph from this document called *1999 Budget Memorandum*. It says:

“While the picture painted by the Honourable Minister was a healthy one, it is instructive to note that the cut off point for the determination of the employment rate for the last fiscal year was June 1998. We suspect that the

picture subsequent to this date is somewhat different since many of the projects in progress at the end of June have been completed with the attendant fall off in employment. Our concern in this regard is heightened by the fact that there are no major projects on the horizon, save those already in train.”

Again, all that I am saying is, not that the Government is not to be congratulated, but let us be realistic. Let us face facts. I was a bit concerned by the desk thumping during the debate in the House. We did not have it in the Senate, I must say. People seem to be much more serious and aware of the issues and the seriousness of what we are doing. The desk thumping in the House made me wonder one of two things: did the hon. Members who were thumping really believe the situation was as they were hearing it? In many instances there were caveats and there were issues and comments that need to be made to put them in the right perspective. If they did not, and it was just politics, well I would be happy about that, quite frankly, than to think that they did not know.

I was very sorry to have missed Sen. Dr. St. Cyr’s contribution. He told me he made the point that our lowest level of unemployment was during the war years when it fell as low as 6 per cent. I think that should tell us something and we should discuss this issue again when we come to discuss economic policy and economic strategy. It seems to me that what we had in 1940, which we do not have now, was an internal economy as opposed to an entirely external-driven economy now through gas and oil. We can come back to that in a little while.

With respect to inflation, again, Price Waterhouse has suggested that the rate is likely to be more than 5 per cent. Not to be critical of the Government, because I think the inflation has been kept reasonably low—it has gone a bit higher this year, largely because of inflation in food prices, and of course, increases in food prices is worse for the poor than for “better off” folks. Again, is 5 per cent realistic, or is it going to be higher when the final rates come in? I quote from Price Waterhouse again:

“The early cut-off of the data may have masked the subsequent increase in this rate since the rolling 12-month average is in excess of this rate.”

Are we as well off as we think we may be?

Mr. President, the exchange rate at present, I think, has been extremely well managed and this is a good example of collaboration between the Government and the private sector. This is largely managed by the Central Bank rather than the Government itself, and no doubt with the Government directing what position the Central Bank takes.

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With respect to manufacturing, we seem to be going reasonably well. Although, again, Price Waterhouse suggests that this budget has no special incentives for manufacturers, and that the export allowance that is due to terminate in the year 2000 may, indeed, be a disincentive. Let us hope not.

Interest rates have increased, and I would like to say a word on this, very quickly, looking at the economic policy. In December, the prime rate was 15 per cent, now it is 17 per cent. This must act as a disincentive for investments.

The overall performance in 1998, is something that we do not really get reviewed in the budget presentation, although I suppose it is shown in the *Review of the Economy*, but I doubt it is done in the way it is being done by Price Waterhouse and Coopers. They have listed 45 items that were in the 1997 budget presentation for carrying out in 1998, and they have said yes or no to whether it has been completed. One or two have started but have not been completed.

2.00 p.m.

Of these 45, the list here gives 15 as having been completed, so that if this is correct, I invite anyone to look at the list here. Perhaps the Minister of Finance in his winding up could respond to that situation. I would not read them all, but that surely is not a very good performance if one thinks that the budget presentation suggested that the Government could do 45 things and only 15 were done.

This brings us to another problem. When we are assessing the present budget and say what wonderful things have been set up in the budget and we are very happy about what a wonderful budget it is, we really cannot judge it until the year has gone by. I believe this is a very interesting exercise. I would like to see it again next year. We see things that are very praiseworthy in the budget actually getting done. It is extremely important that we continue to monitor this as a Parliament.

Mr. President, having made those comments on individual items which strike me as being particularly noteworthy, I would like just to say a word about economic policy, since the Minister has in his presentation given a section on page 12 in which he referred to economic policy. Of course, one will realize that I am not an economist and, therefore, I speak with some trepidation in this field, but I think it is extremely important that the issues be simplified in such a way that the general population, including laypersons like myself, understand what is going on.

It was most disconcerting to hear that the hon. Minister of Finance in his winding up in the House of Representatives was reported to have said that these

people do not want to hear about figures; they only want to hear about what is in it for them. I must emphasize that our presentations in the Parliament are not for the people. Our presentations in the Parliament are for the Parliament. If we want to translate that into presentations for the people, we either go on the hustings or the television and make a statement about the budget. The presentation that the hon. Minister of Finance makes to the House or Senate must be of the content that one would need to give to the Parliament. It must not be influenced by what the people want to hear.

The section on economic policy on page 12 does not seem to me to really be addressing what I would consider to be economic policy. Again, this is why Dr. St. Cyr's Motion is so important. Basically, it seems to me that there are seven items that I would glean from this budget statement. The hon. Minister would correct me if I am wrong:

1. He wants to facilitate savings and encourage local investment;
2. He wants to continue liberalization to increase competitiveness and market access;
3. He wants to have good wage relations, if only to keep down inflation by no disruption in work, and also to try to keep the rate of wages low;
4. He wants to provide health, educational and social needs. I suppose that this is a social policy rather than an economic policy, although it may be argued indirectly that it would lead to better growth;
5. He wants good debt management;
6. He wants to re-focus on agriculture; and
7. He wants to create opportunities for young people.

That does not really tell me what the economic policy and strategy is. I would look at it somewhat differently if one is trying to get at the measures that are being taken and whether they are having an effect or not. I suppose that there are four indicators that seem to be generally accepted as being important in this regard. I thought, perhaps, he might have done it in this way.

First, the rate of growth of GDP. We can discuss whether or not that is a good measure of development, but it is used as a measure of the economic well-being of the country. Second, it is containment of the rate of inflation. Third, management of the rate of exchange, and fourth, our social issue which also indirectly affects

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growth, which is the rate of unemployment. Those are the four indicators, it seems to me, that are used normally to look at what progress we are making on the economic front.

How does the Minister of Finance address those four issues? This would allow us to determine whether, indeed, the way that he is addressing them seems to be satisfactory or not. I would suggest that what he is doing to address those four issues are:

1. maintaining fiscal balance;
2. controlling the liquidity;
3. managing the rate of exchange; and
4. trying to contain the value of wage settlements in order to contain inflation.

It would seem to me that those are the four major approaches he has taken.

If we get to that rather simplified picture, it seems to me that we would be in a better position to determine just what progress we are making with regard to the economic scheme. Certainly, the four indicators are all favourable, except perhaps, that the rate of inflation may seem to be creeping up a little. By and large, the rate of growth of GDP, containment of the rate of inflation, management of the rate of exchange and reduction in the rate of unemployment, we have a problem as to whether that is sustained or temporary, based on the investments in the petroleum sector, largely, which may come to an end eventually. Clearly, that is in order.

The fiscal balance is being attended to carefully and, therefore, in that sense, we are managing the economy. The control of liquidity seems to me to have a problem which we do not seem to be able to address or correct. The main instrument to date for controlling liquidity is to increase the reserve requirements of the banks, but this is leading to increased interest rates in order that people will not have the money to spend. This has the effect of going against one of the things the Minister of Finance wants to do, which is to increase local investment. Certainly, higher interest rates are unlikely to encourage or be promotive of investment, and so, although we keep saying we will have other instruments to control liquidity, we have not seen them working yet, because the reserve requirement is still being used as a major instrument.

The management of the rate of exchange, I think, is going completely under the control of the Central Bank and the commercial banks, and so far we are managing reasonably well. If we do not address the issues that affect the rate of exchange effectively, this may not continue in the future. So, perhaps at some time, we must discuss the measures being taken, whether they are effective, to increase local investment outside of the energy sector.

It seems to me again going back to the point that Dr. St. Cyr made, and Lloyd Best has been making recently, if we do not address the issue of the “local economy” and “local investment”, we have two adverse possible consequences. One is that we are more tightly linked exclusively to the global economy and, therefore, we are more susceptible to changes that may occur outside of Trinidad and Tobago.

Minister Sudama challenged the Opposition to show how we could cushion ourselves against changes in the global economy. The challenge should not just be for the Opposition; it should be for all of us in this Parliament. Let us look at it when we address Dr. St. Cyr’s motion, because it is extremely important.

I listened to the same lecture that Sen. Gray-Burke listened to the other night by an IMF person who was purporting to give the next level of structural adjustments to be taken in order to meet this new challenge, which apparently was not anticipated by the World Bank and the International Monetary Fund and other multi-national agencies, namely the crisis in Asia, Russia and so forth. I certainly did not come away with any comfort that the IMF, as expressed through this gentleman, had indeed found the answer, because really, all I could hear him say apart from what we are doing now is pay a little more attention to the social issues which, clearly, we have all agreed even before now we need to do. I do not think we are going to get any comfort from the World Bank strategies and advice. I think we have to start looking to ourselves to know how we solve these problems. I look forward to the discussion that we may have later on.

Of the things we certainly still need to address, the first point was the question of wage restraint which, so far, we seemed to be able to do. Let us be quite clear as to what we are doing in this process of wage restraint. As long as wage settlements are less than the rate of inflation, in my book, people are becoming worse off. As long as the wage settlements are lower than the rates of inflation, people are becoming worse off. The wage settlements start with the Government wage rates, and these affect a very large number of people in the society and, of

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course, there is a spillover effect where the private sector looks to the Government wage settlement to dictate their own wage settlements.

If we continue on the philosophy that we are going to keep wage settlements low and we are not going to have price control as well, because traditionally we have had a wages and incomes policy, not just a wages policy; if we are going to continue to settle at wage rates below the rate of inflation, we are saying to a large section of the population that they will become worse off every three years, or annually for that matter. If we look at wage settlements, I am sure the university was a pointer to what may happen in the future. That is why that particular one was fought so hard, not by the university alone. A six per cent wage settlement over a period in which inflation was probably around 12 per cent tells what is happening and could happen to the rest of society. No doubt, the trade unionists in our midst would have something to say about that. Perhaps they will address it when we come to Dr. St. Cyr's motion. I think we have an important issue to address.

Mr. President, I would just like to read a newspaper clipping from the *Daily Express* of Wednesday October 21, 1998, because it happens to be a statement by a Government Minister, and one wonders sometimes just how much agreement there is within Government Cabinets—not just this one—as to what approach we should take:

“Globalisation increasing poverty, says Minister

A Government Minister has suggested that globalisation and liberalisation have widened the gap between rich and poor.

Foreign Affairs Minister Ralph Maraj made the point when he addressed Divali celebrations at Barrackpore.

Maraj said before the current global economic crisis, no one dared challenge globalisation and liberalisation or the marginalisation they produced.

‘All over the world, among and within nations, these policies accentuate the divide between the rich and poor, and it has been very difficult to convince the elites that the few were getting richer and more and more millions were getting poorer.

Some of us were constantly making the point that the darkness of an all-pervasive poverty was threatening the lives of hundreds of millions of people which would eventually threaten international stability. We were voices in the wilderness, cast aside as doomsayers,’ he said.

Maraj said light has come from the crisis and the light has shown that globalisation was very imperfect and could bring tragedy instead of prosperity.

He said the world must focus on poverty, adding that there could be no democracy where there was poverty.”

2.15 p.m.

I am glad to see at least some Government Ministers are beginning to question the policies that we have been pursuing for the last 12 years, not just by this Government, but by the two previous governments as well, and are looking for alternatives. I think it behoves us all to move in that direction.

Finally, I would like to make some comments on the agricultural sector and the incentives which are proposed in the budget. In a way, many of these I had commented on earlier when we had the Motion on agriculture in this Chamber. I want to start by indicating that in spite of the way that the hon. Minister of Agriculture, Land and Marine Resources has presented his statement in the House, which is being reproduced in the newspapers, which seems to imply that the agricultural sector is doing very well—it is very appropriate that the Minister of Agriculture, Land and Marine Resources has arrived just as I started to talk about agriculture.

Let us be clear that in 1998 there has been a 21.4 per cent decline in the agricultural sector. I get the figure of 21.4 from the Price Waterhouse analysis of the budget documents. So at the moment things are not that rosy. Now, I suppose one could explain this decline based on three events: one was the outbreak of froghopper in the sugar cane industry, how much of it was man-made and how much of it was environmental circumstances is in question; secondly, the drought which affected domestic food production; and thirdly, of course, the removal of the squatters in rice in the Nariva Swamp which led to a decline in rice production. So, we must be aware that it is not a rosy picture in 1998.

With respect to the major thrust for water management, I give the hon. Minister full marks for this. I am fully in support of a thrust which implies water management. Indeed, my comments earlier on about the flooding clearly were in line with this. One wants to have some method of solving those problems, namely controlling the excess water in the rainy season and providing water for irrigation in the dry season. It is absolutely admirable and this is the direction we should be moving in.

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So I am looking forward to a comprehensive plan in this regard. I would certainly have liked to have seen it in this budget, and I hope to see it by the next one. There are some items here which have been presented which indicate that there is some activity in that projection of actually winning water. I think, as the hon. Minister has pointed out, we need to go further and, indeed, I hope that this will be given full support by the Government.

However, there is one point with respect to the supply of water which I know that the hon. Minister is very conscious of and is trying to solve, but which does not come through in the budget statement, nor in his statement, and that is the cost of the water to the farmer. At the moment, even when a farmer wins his own water and there are subsidies being provided—which we will discuss in a minute—for the digging of wells or ponds, even when those are put in, the water which comes out has to be paid for at the same rate as an industrial user would pay, or a domestic user by which the water is being chlorinated and treated and made safe for human consumption.

Indeed, when a farmer uses a well to extract water for his farm for irrigation, at least 50 per cent of that water percolates back through to the water table. So he is paying for one gallon of water, when in fact, for his production process he is, perhaps, using half a gallon, and paying, as compared to the United States, for example, very high rates for water. In the United States this is one of the subsidies given to the agricultural sector. In many cases, dry areas in which water is very expensive to win, the farmer is given the water at much lower rates. So I certainly hope that this one will be addressed in the future. I know that the Minister of Agriculture, Land and Marine Resources has it in mind.

Then, the major thrust in this budget statement with respect to the agricultural sector is the provision of incentives by way of grants being given for various processes and for buying various bits of equipment and so forth. This is something which was outlined in the last budget. It was outlined in the Motion that I had on agriculture in this Chamber, and at that time I expressed my reservations. I am going to express my reservations again. I do not believe in the giving of grants for buying tractors, for digging ponds, for ploughing land, for buying irrigation equipment, pumps and so forth. All of these are, in effect, subsidies on the production processes. I believe that if one wants to try to help farmers and increase agricultural investment, one must look at two areas. One is the final price and the marketing arrangements, and that is also being done. I have no problem with the price support for cocoa, coffee, rice, coconuts and milk. I think that is admirable,

that it should continue and the increases are important. So I am fully in support of those efforts.

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

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

Question put and agreed to.

Sen. Prof. J. Spence: Thank you very much, Sir. Thank you very much ladies and gentlemen.

So I have absolutely no problem with giving price support where it is needed and also in providing market facilities and so forth. That is extremely important.

The other area which I think one needs to look at is the area of interest rates. This is not addressed in the agricultural sector in this budget statement. Now, we passed a resolution unanimously very recently saying that we would give to the agricultural sector the same incentives with respect to interest rates that we give to the tourism sector. So I had hoped to see it in this budget, we would have opened the window of opportunity for farmers to access loans through commercial banks, who would have been given concessions on the profits they would make on such loans, so the interest rates might be lower.

Mr. President, look at what we are now doing for small businesses with investments under \$250,000. We are allowing subsidized interest rates at 5 per cent. A small farmer who is making an investment of \$250,000—and that really is not such a small farmer after all—is going to pay on a loan from the Agricultural Development Bank, perhaps 14 per cent. So we feel that to encourage small businesses, we must give interest rates of 5 per cent, but to encourage small farmers we give interest rates of 14 per cent. Surely, this means that we do not really think that we should be encouraging the agricultural sector to the same extent?

What I would like to know from the hon. Minister is, if I as a small farmer investing \$250,000 can go to the Small Business Development Company and ask for a subsidized interest loan? Are farmers excluded?

Sen. Kuei Tung: No.

Sen. Prof. J. Spence: Well, I am very pleased to hear that. I am sure many other farmers will be. Take care, you may have a flood of applicants. I am

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extremely glad to hear that and I think that is an extremely important development, if it is indeed the case, then we should publicize that facility greatly.

But to get back to the other incentives along the way. You see, really, what we should be doing is, apart from interest rates and possibly supplies of services provided by the Government like water, which should be at reasonable costs, we should be looking at the end product. After the farmers produce, then you reward them, rather than giving him the money along the way before he has produced. He should be able to look at his farm as a business and say, paying this interest rate and with these costs, and that means including paying the full cost for a tractor or for a vehicle or for ploughing, but given a certain end point with respect to the sale of his end product. Also, the facilities which the bank may give him with respect to conditions of his loan. He may be having, along the way, working capital at reasonable interest rates. That is how I would address his need to buy equipment.

Incidentally, the budget seems to suggest that all sorts of modern, new equipment is being bought. I certainly do not see anything new in any of the listed items. These are all traditional issues. I really do not see the revolution in agriculture. Especially if we are saying, what we are trying to do is to make the system more competitive. That is what I find difficult and why I think we must look at the whole economic policy. On the one hand, we have an economic policy of globalization, liberalization, market forces making it more competitive and, on the other hand, I agree one has to protect the agricultural sector, but one has to protect it in a way which, in the past, has not made it more competitive.

We have had all these types of subsidies in the past. We had more. We had subsidies for spraying—from the 60s. In my experience—and I have been in this business since the 1950s—it has not worked. These subsidies have not worked. They are costly to implement. They are open to corruption and they do not act as an incentive for new investments in the agricultural sector, which is really what we want to be doing.

With respect to Caroni (1975) Limited, I honestly do not see how the breaking up of this company into six different companies is going to address the issues which it has. Indeed, I thought that the tendency these days was for mergers and acquisitions for greater efficiency. Everywhere, even in Trinidad and Tobago, banks are merging, conglomerates are being formed for greater efficiency, but we have a conglomerate which we say could be more efficient if we break it up into small units. I really cannot understand how that is going to help. I would be very grateful if somebody would explain to me how this approach to Caroni (1975)

Limited is going to make it viable, when it is not viable now. Because I do not think it will.

With respect to encouraging investment in the agricultural sector and to encourage the development of that sector, I have said it repeatedly, I said it in the Motion which we all agreed to, that the sector is now so depressed that we need particular deliberate activities to encourage and force development. One area which we—Lloyd Best and myself—have been promoting is the School Feeding Programme. Nothing in the budget about expansion of the School Feeding Programme, which is providing a ready-made market for our local products and which would teach the children to eat more local food. So I think this is an important area. Would you like to say something?

Sen. Kuei Tung: Professor, you are aware that there must be a link between nutrition—because the way it is structured now, you do not even go out with \$10 and ask a man to produce fast foods. It really is not going to work. You have to have the structural link first.

Sen. Prof. J. Spence: One hundred per cent agreement, Mr. President, absolutely one hundred per cent.

Nearly three years ago I think, the hon. Minister of Agriculture, Land and Marine Resources asked Prof. Kenny and myself to sit on a committee to look at this issue. What we said was, the Government needs to provide \$500,000 for a complete study, and not just a study, but an action plan, we called it. What we wanted was an action plan and we said provide US \$100,000, and if that had been provided three years ago, we would now have a complete action plan for linking the School Feeding Programme to local agricultural production. Absolutely what we need. So I agree with you 100 per cent. Let us do it. Let us produce that action plan, it cannot be done by the existing institutions. That is where we need to spend some money. We spend vast sums of money for consultants to do all sorts of funny things. Let us get some local consultants who can prepare this action plan for the School Feeding Programme.

Let us also link to the tourism sector. Why can we not give conditionalities when we give concessions in the tourism sector? When we borrow money from the IDB, they give us all sorts of conditionalities. We are giving vast concessions to tourism, we are giving low interest rates to build hotels, tax-free holidays and so forth. Why can we not say to them, “A condition of this is if you would put local furniture into your buildings and you will buy local food”. I am told that in Nevis,

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so persuaded—not by legislation, funnily enough, all by conditionalities—the hoteliers there sometimes they buy the local food anyhow, even if they do not use it, they give it to their employees. So sold are they to be good corporate citizens in these countries to buy local farmers' produce, they buy it. They may feel it is not quite what they want, they give it away to the locals. I do not think we should do that. I think we should make sure that the quality of what we produce for the hotels is such that they would want to use it.

2.30 p.m.

Mr. President, we had a tourism conference here the other day and I rang up all the organizers asking them why they had tourism and energy, tourism and manufacturing, but no tourism and agriculture. Imagine a regional conference set up by the Caribbean Tourism Organization, all these countries are agricultural countries, but there is no discussion on tourism and agriculture. The linkages are absolutely critical!

That is how you build a local economy; that is what we are talking about. That is what Sen. St. Cyr was talking about in the war when we all grew our own food. That is what Lloyd Best is talking about when he talks about building a local economy, as opposed to complete dependence on what is best if we have an offshore economy from an oil income which does have inputs into our local economy. Certainly we should use many of the benefits we could get out of that.

But let us be absolutely clear: sustainable development is defined as development which does not deprive your future generations from their incomes. Every one of us has got to understand that every cubic metre of gas that comes out of the ground that we use is depriving future generations of the income from that gas. Unless we use that to provide the income that future generations should have, we have stolen from them.

We have utilized the resources now in this generation, and future generations would not benefit from this natural resource given to us free *gratis* by the Lord, I suppose. That is what we are doing. Let us recognize that and treat our gas as capital, not as recurrent. That is the mistake we make, we treat sales as assets, our gas and oil as recurrent. It is not recurrent, it is capital for us and for future generations. I know we have to take it out and use it in order for future generations to benefit, but if we do not do it, then we are robbing them.

Who made a song and dance about what we did in the boom days? We wasted \$60 million. It is not \$60 million now, but every dollar we do not invest effectively

to make an income for future generations, we are wasting. The volume may not be the same, we may not be quite as extravagant, but let us be clear on what we are doing. That is why I think we ought to have this economic discussion, because each of us must understand what we are doing. Sometimes when I hear the desk thumping, I think that people do not understand.

We must be clear: Opposition, Government, Independent and the population. I am sure the population of Trinidad and Tobago would understand. The saddest thing to me was what happened in 1987 when clearly, the whole population decided, "we want something new and better". I do not think it is impossible to get the whole population of Trinidad and Tobago to want something better. We are not doing it, because we do not think we should explain to them, or bring the facts to them.

In the past it was said that the last government was giving handouts. Then what are these things in the budget that everybody got so excited about, so that some people referred to it as an election budget? It is not that at all; I do not think for a moment that it is, but the fact that you cannot complete your public investment programme is a much more important issue in the long run, than some of the social issues you address in the short term. Yes, you have to address the social issues, make no mistake about that. I am fully in support of that. I realize the limitations and I know why we cannot go further than we have gone, but let us at the same time make sure that the money we do invest gets spent properly and brings us the results.

Thank you.

Sen. Martin Daly: Mr. President, like Sen. Spence may I apologize for not having been here for substantial parts of the debate, but I think it was generally known that I have been somewhat hoarse. Indeed, it is symptomatic of the damaging effects of globalization, that "Plan B" was hatched in Trinidad but caught up with me in London. [*Laughter*]

I would begin by supporting what Sen. Spence said about the Government's statement about access by students to computers. I think the statement has been widely misunderstood and I would explain why. Since it is a very brief statement, I would read it. What the Minister said on page 22 is as follows:

"if we are to transform Trinidad and Tobago into a knowledge-based nation, we must enhance the technological capability of our schools. This requires that our school population be computer literate, and be at home on the Internet.

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To this end, it is necessary that every student in the nation's schools should have access to a computer."

That is one of the most important statements in the budget, because it is official recognition by the Government that we will be going absolutely no place as a nation, unless every single one of our school children has access to a computer. Clearly, that is not going to be possible for the vast majority of children to do so in the privacy of their own homes.

I think it is a very important statement by the Government and they ought to be commended for it. They must not despair because that statement was met by a certain amount of cynicism, captured best by my friend Sen. Teelucksingh when he said that the man in the street would ask, "Who is going to watchman the computer?"

The difficulty we have in this country—and I would explain this further when I come to attack some of the omissions in the budget—is that successive governments make very highfalutin statements and sometimes get carried away by their own rhetoric. Therefore, it is impossible to motivate the population positively if you are saying good things, quality things and trying to lead the nation the right way, when at the same time you are deliberately burying your head in the sand by talking rubbish about a total quality nation. It is just pointless! You cannot persuade anybody in Trinidad and Tobago that we are anywhere near being a total quality nation.

The first piece of advice I would give the Government is to drop those three words from your vocabulary. It is rubbish! All of my colleagues have already said that we have total quality red eye and total quality murder. Now we have total quality murder by pitbulls, total quality dengue, total quality flood and total quality AIDS. I could go on and on. It makes absolutely no sense trying to motivate the population positively when there are the kinds of floods we have in Chaguanas. So wake up and stop believing in your own rhetoric.

Mr. President, indeed, areas of this budget statement saying that we are even aspiring to be a total quality nation, and that is why we have these problems, is rubbish. In fact, I spent a long time trying to think how to categorize this and other parts of the budget and eventually it came to me: the Government in certain of the statements it makes has been vain-glorious. For those who need a definition of "vain glory" it means statements made that are marked by groundless or excessive vanity. There are a number of vain-glorious statements in this budget which I

would point out. But the most vain glorious statement of all is puffing out their chest and talking this rubbish about a total quality nation, given the types of problems we face.

What I am trying to argue is, it is hampering them, because if they say things like that that affect their credibility so badly, when they try to lead the population in a direction, they simply do not believe them. In his own inimitable style—and I understand that certain people were very dismissive of his contribution—that is what I understood Sen. Shabazz to have said. He may not have done it very elegantly, he may have done it very politically, but in his own inimitable style, that is what Sen. Shabazz and Sen. Teelucksingh are telling them.

If they make these pompous statements at a time when people are suffering in the most graphic and dramatic ways, they will lead them nowhere and they would not be able to give people the leadership push they require.

Indeed, I am very happy that the Minister has recognized the need for computerization in the schools and for access to the internet. It struck me, for example—and I have not been able to check his *Hansard* and I would not identify the Senator—but I understand that one Senator in my absence late last evening was somewhat unappreciative of Sen. Marshall's contribution. That Senator is not alone. One daily newspaper with which I am uncomfortably close has ignored Sen. Marshall's contribution altogether.

I dare say that if those members of the media who did not understand the importance of his contribution, like the Senator who spoke last evening, had access to a computer and the internet, they might have a better appreciation of the serious economic issues which he so ably articulated. So Minister, you are absolutely on the right track. [*Desk thumping*]

The next time Sen. Marshall—whom I liken to Mark Taylor—gives us one of his dissertations in economics, they may better understand as a result of this measure which the Minister has here.

There are a number of glaring omissions in this budget and I would like to tackle those while I have some voice. I will leave the philosophy and so forth, in the event that my voice expires. There are a number of major omissions and they have to do with the fact that the Government either has no policy or is too busy beating its own chest.

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These major omissions are: page 6, a complete absence of any statement on the significance of the airline mergers referred to on that page. The Minister documents the airline mergers taking place and he said:

"These mergers add a new and intimidating dimension to the world economy, and they have special significance here in Trinidad and Tobago."

Neither he nor the Minister of Works and Transport has indicated to us what is the "special significance here in Trinidad and Tobago" of these airline mergers. Is it a negative or positive significance, and much more importantly, where does British West Indian Airways (BWIA) in which the Government still has an investment, fit in this context? We have had a completely wimpish statement about air transport in the *Medium Term Policy Framework*. It is not only a wimpish statement but it is marked by the same use of jargon, the same vain glory and the same self-belief that people would swallow this pabulum.

On page 19 of the *Medium Term Policy Framework* it states:

"In the case of air transport, a new terminal building and ancillary facilities will be constructed at Piarco."

Well that is a big joke because in the six years that I have been in the Senate taking a special interest in the cowshed, the airport has never started. That is a perfect example of the type of statement that lacks credibility.

The document continues:

"Improvement works at Crown Point Airport will continue. Further private sector participation in the provision of air transport to make the Domestic Airbridge Route more competitive will be encouraged."

Then it goes on to sea transport, that is all they say about air transport. What about the international airbridge?

We are not only an island nation. We are an island nation that exports by air. We are an island nation that has huge pockets of nationals resident in the major capitals of the world with lifeblood. The family life, economic life and cultural life in this country requires the transport of nationals to their family abroad and vice versa. What about the international airbridge? Do you think the star alliance formed by Lufthansa and these other people are going to care about our brothers and sisters in Brooklyn, Toronto and all the other parts of the world? That is where BWIA comes in.

Do you think that the star alliance is concerned about Sen. Spence's flowers which he has to export by air? Do you think they are concerned about what few fish are caught in Tobago that have to be exported by air? A major omission in this budget is the complete silence by the budget and the Minister of Works and Transport, who has already spoken in this debate, about what is the Government's policy on air transport and what it intends to do about BWIA.

I say regrettably, I try to use an airline when I fly and therefore, I try to avoid using BWIA, as patriotic as I may be. Recently, I had to travel on BWIA because my client had an interest in the airline and it reminded me how sad and pathetic we have allowed BWIA—which is not just a service but an institution—to become.

When I sat in the aeroplane on the way up and I looked at the shoddy and torn carpets, I looked and felt the embarrassment of the staff because they had no meals to serve. They were embarrassed and actually avoiding the passengers. They did their best to make us comfortable, but they had no meals to serve.

We have missed out on having any kind of alliance with British Airways during the time of the PNM Government—and I know that for certain, because some clients of mine expressed an interest in doing something together with BWIA.

2.45 p.m.

I know for certain that in the time of this Government Mr. Branson's Virgin expressed an interest in BWIA and nothing came of that. And what has happened? I think it is one of the lead stories in *Business Week* this week that Mr. Branson has now begun flights to every part of the Caribbean except Trinidad and Tobago. When his inaugural flight to Antigua could not take place with champagne and businessmen because of the hurricane, he loaded up the same aircraft with relief supplies and went to Antigua.

We are missing out on all of this. We are running these old pathetic planes which the staff are doing their best with and there is no statement about air transport. I am extremely bitter about it because I think the hard working people at BWIA deserve something better. They are attempting to make a silk purse out of a hogs ear and they are embarrassed by the state of the aircraft and the lack of goods and services with which they have to supply the passengers.

On my way back from London when they did have catering facilities because they were starting off from London, I asked them about it and they told me that sometimes they are very embarrassed. I asked them why they were so visible on

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this flight and the crew was so invisible on the New York flight and they told me how embarrassed they are sometimes when things in the airline do not work and they do not have goods and services with which to supply full fare-paying passengers.

All we can hear about the catering in Trinidad is that there is a strike and the alternative caterers have received death threats. Therefore, if the strike goes on for three years we will continue to embarrass ourselves in front of the entire world and there is no statement about what is to happen with air transport and the future of BWIA. We have very special air transport needs because of our exports by air and our communities abroad. That is one major omission which I hope it is not too late for someone to correct by telling us what the position is.

I understand that the Minister is fed up with the BWIA issue because I know from all of the shenanigans that have gone on with trying to make alliances for BWIA that the Government itself has been embarrassed. But they cannot simply fold their arms and leave it alone.

Mr. President, the second omission is to be found on page 8. That has to do with the fact that as a result of the drop in oil prices there was a loss of \$850 million in revenue. I am afraid that on this occasion I have to lay it at the Minister of Finance's door. It was incumbent on the Minister to tell us in some detail, if not in a budget, in a presentation, how that loss of \$850 million affected us. He cannot just brush it aside. I understand how provoking it is for the Government, while we are trying to debate these issues, to have people holding press conferences down the corridor. It always annoys me when we are trying to debate issues and key Ministers of this Government as well as previous governments leave to have press conferences during Parliament time. What they are really saying is that they are bored, they are wasting time here and they have to fit in a press conference so they will do it while the debate is going on. It is not only a discourtesy but it is telling the whole nation that what is going on inside here is unimportant; so I understand your aggravation.

Perhaps, if he was reported correctly, he made an incautious remark about people not being interested in the figures. Again, we have to rely on external commentators like Price Waterhouse because—in his own inimitable style Sen. Shabazz listed for us all of the promises which were made about single mothers and other things and the Public Sector Investment Programme that have not been carried out. If we were not able to carry out significant promises that were made when we had money, how much more so are we not going to be able to carry out

these promises and do these things if we are \$850 million short? It is incumbent on the Government to explain how that has affected us and not just brush it aside.

Indeed, what that does, as I shall demonstrate in a while, is undermine their credibility with regard to their projections for the future. What it leads to is the population saying, “yeah, yeah, yeah” or, as Nikki says, “yeah, whatever”. They talking a set of things in there but “whatever”. They did not get the money last year, they are not getting the money this year, “yeah, whatever”. Do they want people to approach this like Nikki? “Yeah, whatever”? I do not think that it is right.

The next major omission is on page 20 and that has to do with Caroni (1975) Limited. I think it is absolutely incredible that all the Government can say about Caroni (1975) Limited is, “one must address the issue, we are thinking of having standalone companies but this can only take place after a comprehensive review, we are going to have another subcommittee and we will devise a definitive solution for Caroni (1975) Limited.” What does that mean? That is simply a statement of ignorance and despair; “we do not know what to do next.”

I cannot blame the Minister of Finance for this. He has to say something about Caroni (1975) Limited because, for those who did not have access to Sen. Marshall’s brilliant analysis of the economics, he gave an example of how the pot boils down. One of the things which is boiling down the pot is Caroni (1975) Limited. He explained that the pot boiled down to the point where only \$4 billion was left and the Minister has to come and tell us something. Please, not another committee. It is better they come and tell us they do not know what to do and put it up for bids for those who do; not another committee; not another general policy statement that can only take place after a comprehensive review because that is telling us nothing. That is a major omission because that is something that contributes to the pot boiling down.

Page 34, Mr. President, the increase in the national insurance contributions. Of course this is long overdue and, of course, the Government must get its full credit for doing something that all its predecessors have failed to do. I do not, in any way, wish to dilute the credit that is due to the Government. I make my complaint, perhaps, less stridently about this but I think it is incumbent on the Minister to show us how the increases in contributions which are set out on page 34 will lead to the increases in pension set out on page 35.

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I think it is important to show us because that is a lot of money they are asking people to deduct from their wages and salaries and they are not going to carry the population along with them unless they can demonstrate to them how this sacrifice—they view it as a sacrifice. Nobody likes making pension contributions. They are not going to take the population along with them unless they can show them how these increases in the contribution will produce these increases in earnings.

If we live and walk the streets of Trinidad, whether we walk in Sen. Teelucksingh's area, Sen. Shabazz's area or anywhere else, people are going to have the sneaking suspicion that some of these increases are to make up for mismanagement in the past and they have to satisfy people about that. We are living in the real world. People have a feeling that things are not really *kosher* and they really have to satisfy them that some of these increases are not plugging little holes to cover some mismanagement.

It does not affect this Government's credibility in anyway to deal with that issue because no one is suggesting that if there have been any problems with NIB it could possibly have taken place while this Government has been in charge. It is to their political advantage to deal with these issues.

Mind you, I can understand how provoked they are by the level of what passes for debate sometimes. The Minister of Finance, I am happy to say, is very much an ordinary mortal like myself and after a while when one keeps hearing the same "rara" in one's ear one may tend to say, "well shucks"; but when he comes to the Senate he must be prepared to deal with these things.

Page 36 is another omission, Mr. President. The Minister would have us believe that even though the oil price is going to be so much lower he is going to raise more money. That is just simple magic. He has to explain to us how, with a lower oil price he can raise more money. It just does not make any sense. If he is a magician then it is to the credit of the Government and the Prime Minister who invited him to become a Minister to show us how he is going to do this magic. This is completely unsatisfactory.

On top of that I noticed that in his statement in the Senate he said that one of the things that will contribute to increased revenue is the sale of state enterprises. Presumably, if he makes that statement, he must have some schedule of the state enterprises he plans to sell and when. I would hate to think that is just something he kind of has in the back there and if he is not meeting targets he will just seize

one and start to sell it. That is what leads to allegations of corruption, poor planning, trying to “fix up the boys” and so forth.

If he is committing himself to the statement that some of this shortfall is going to be made up by the sale of state enterprises, he does not have to give us the share price but give us an idea of what enterprises he is planning to sell, when and for how much. Every private floatation is always preceded by a certain amount of leap and hype about the shares which are coming on to the market. It suggests that a lot of this is very *ad hoc* and it is not very serious. Mr. President, those are the major omissions in the budget which I think we must hear something more about. So much for omissions.

With regard to the vanity, I have sufficient respect for the acumen of the Minister of Finance. I know that the things I am about to point out are not vanity on his part; they are good camouflage and we have discussed them. Unfortunately, some of his colleagues are vain enough to believe that some of these things are true. If I have a choice between a politician telling me something that is not quite right and he knows about it and he laughs behind my back, he is very cynical and dangerous. But it is less of a danger than someone telling me something that is not true and believing it.

I have to be very careful what I say about my good friend the Minister of Information. People say I am very hard on him but you are hardest on those you love the most. [*Laughter and desk thumping*] So cruelly was he treated by the withdrawal of the Ministry I am still in denial over it. Of course, I mean the Minister of Public Administration. He loves total quality nation and in less formal surroundings I give him the advice which I am giving to forget that and stop believing in it.

Of course, there has been a big improvement in the client orientation of the public service but, for goodness sake, he should not try to give us the impression that he has moved the situation forward 50 years in three years. He has not. I can tell the same story about land and building taxes in Mayaro that Sen. Kenny told about land and building taxes in Blanchisseuse—and I always say the man upstairs wears pajamas but he does not sleep. Three years after I completed all the relevant documents for the transfer of ownership of my property in Mayaro together with WASA—and I have been paying WASA’s bills for three years in my name—they have suddenly sent me a huge bill for arrears in the previous owner’s name, and I fear that I am going to have to drive to Mayaro to sort it out. That is just plain incompetence. I know you will tell me that is WASA, but WASA gets its information

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from the land and building taxes department. That is the source of their information so please let us be a little less vain and a little more realistic.

Where the vanity comes in, Mr. President, and it really worries me, is when we come to page—I want to say something about the Minister’s statement about leadership on page 3 but I am concerned on this occasion about my voice, not about time so I will leave aside leadership for a minute.

3.00 p.m.

When we get to real vanity, is page 11. I know that the Minister of Finance knows that is political camouflage, but when I listen to some of his colleagues they really believe this. It says at page 11:

- We expanded the economy by five per cent;
- We generated a fiscal surplus...
- We reduced the unemployment rate...
- We built up our foreign reserves...
- We paid our debts...

Do you believe that? Every speaker has told you about all of these “accomplishments” with the natural corollary of opening the country up to foreign direct investment. Of course, I am not suggesting anyone in your Government would do such a thing unless someone stole the money. Of course, the economy would grow by 5 per cent; of course, it generates fiscal surplus; of course, you reduced unemployment. Once the multinationals take a decision to build an energy plant in Point Fortin, of course these things are going to happen. So what I would try to do, not being as well qualified as Sen. Marshall, is to show what we should be debating in a budget debate and in an economic policy debate, if we ever have one.

Sen. Marshall has explained it very carefully, and I am still hoping that the odd-man-out newspaper is going to get it taped and try to do something about it. Sen. Marshall has explained it very clearly and I am happy to say that one of the daily newspapers which did give him some coverage, got it right in the headline. Sen. Marshall has explained how ephemeral the nature of foreign direct investment is. Indeed, Sen. Dr. St. Cyr conferred that the growth in the economy is attributable to direct foreign investment.

One of the problems with this debate is that people come here with prepared text—I understand in some cases they have to be vetted first—and what they have in their text is not responsive to what is disclosed in the debate. So here we have two distinct persons who are distinguished in the field of finance and economics and related matters telling you, quite clearly, that this growth in economy is not anything you did; it is the result of foreign direct investment. It is extremely ephemeral and you cannot hold out the benefits of it as though they are just simply going to continue. Indeed, I should demonstrate—my vocal chords permitting—what the new issues are so far as foreign direct investment are concerned.

Mr. President, I will be bold enough to suggest that the only serious economic policy that has been pursued in this country for the last three or four administrations, has been a decision to move away from an Eastern Europe type socialist economy, where the government controls the commanding heights of the economy to opening up the economy to market forces and to foreign direct investment. That is the only serious economic policy decision that has been made over the last three or four administrations. That has had certain consequences for which this Government is claiming credit. That began long before this Government was in power. They may have had political influence with previous governments because of the shapes and forms and alliances and non-alliances that took place. The Minister of Finance has served in two Governments, so insofar as he adopts the nostrum of having a friendly economic environment, we can see his influence play in two successive governments. And that is a good thing.

Now, however, we have the problem, that have befallen hook, line and sinker, the economics that go with foreign direct investment. The same commentators who told us and persuaded Minister Mottley—one of the distinguished predecessors of the Minister of Finance—that we must follow this pattern of foreign direct investment or die, are now saying the things that Sen. Dr. St. Cyr and some of us were saying at the time. A government Minister said about the airline—poor old BWIA—privatize or die. They privatized and are still dying. Why? Because at all cost the airline was sold to a bandit, and to his eternal credit Sen. Wade Mark and Sen. Capildeo spent three days and read a book about Mr. Acker, and we put BWIA in bed with Acker to be raped—privatize or die. Now the same commentators are saying, “My goodness! What do we do now that we have opened up the whole world without restriction to foreign capital?” It is astonishing! A few of us were saying at the time, whatever the foreigners are telling us, we have got to make sure that we protect BWIA.

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Now we are fighting to protect the export allowance. The Minister is not taking away the export allowance from \$2,000 because he wants to; he is taking it away because he is being told he has to do it to be competitive. The same people who are telling him to take away our export allowance are the same people who looked the other way when Japan had huge barriers into their economy; and looked the other way when the European governments who support the building of the airbus, protect the airbus to the chagrin of Boeing and McDonnell Douglas. The statement people who are telling us how to tie our shoelace are tying it differently and they are telling us privatize or die.

Now, I cannot take any pleasure out of this. What are the commentators saying? This is just one example. "Global risk" says *Business Week*. One of the subheadlines is, "The first and biggest task is to tame the anarchy of markets that globalization has unleashed." They are now worried about the anarchy of markets that globalization has unleashed. We bought the globalization argument hook, line and sinker, and Sen. Prof. John Spence confirmed with the Minister of Finance in the course of contribution today, that the continuation of liberalization was one of the Government's policies.

We are continuing with a policy that the capitalist market says has unleashed anarchy of markets. We are continuing with that. We should not have gotten into it without restriction in the first place. We should have had the courage of our convictions to say Trinidad and Tobago has certain special requirements such as BWIA, and we are not going to privatize BWIA or die. We leave BWIA alone and die ourselves. We must make sure.

It is against that background, Mr. President, that I would like to define, indeed, what we now have, and I am sure this Government understands it. What we now have is a world economic oligarchy and I know this Government has made a special study of oligarchies.

Sen. Dr. St. Cyr: Yes.

Sen. M. Daly: Happily I am passing my exam, because the professor is saying, "Yes, yes." We have a world economic oligarchy and they control most of the world's capital. They decide whether capital goes and they decide when that capital comes up. They control it. I know there is turbulence in Malaysia and I know they have locked up the deputy Prime Minister, but at least the Prime Minister of Malaysia has had the guts to say, "I am not swallowing this unrestricted liberalization anymore. I want to rethink it." It is a pity that he—and I do not say

this in a patronizing way—that he has to use brutal methods on a political opponent, which reminds us incidentally how fortunate we are in Trinidad and Tobago, that we can debate these things without beating each other. But it is a serious issue.

Mr. President, I am suggesting that the things we should be debating are as follows. I have made a list, because with the same speed with which the world economic oligarchy decides to move some small amount of its capital into Trinidad and Tobago, with the same speed it will decide to move it out. That is why it is vanity for any of the three governments we have had, to say that they are responsible for the short-term prosperity we have enjoyed in this country.

When I see the Minister of Energy and Energy Industries writing—and he frequently follows me in these debates—I know that what he is going to do is to say, “Well, Sen. Daly, we cannot claim the credit for this because we have lined up to following new perspective investments, all on our UNC own. There were none on the drawing board before. We have lined up the following new foreign investments in the energy sector all on our UNC own.” So we cannot claim in the next budget and the budget after that, that we grew the economy.

Now in these challenging circumstances, the real task for the Minister of Energy and Energy Industries, as the principal purveyor of our main asset, is to convince these skittish oligarchs that they could still come here and they should still invest. A great deal of our future is placed on the shoulders of the Ministry of Energy and Energy Industries—I mean the holder of the office and his technocrats—to convince these skittish oligarchs who control the capital that whatever is happening in Malaysia and anywhere else, they must come here.

Incidentally, Mr. President, before I outline the points which I think the debate should revolve around, this is the relevance of corruption. Corruption is relevant because, not that we should just drop everything and run out to the Parliament and start to discuss it and forget the budget, but the relevance of corruption is this: of the reasons the Asian economies have collapsed is that the only people within each country that got access to the capital to work within the country, were political cronies of the Government in power. That is one of the main reasons the Asian countries collapsed. We have to stay away from that. We have to ensure that when capital comes here, the people who benefit from the investment of the capital benefit on merit, and not as a result of any political connection because at the end of the day—God forbid any one of you is engaged in it, and I am not suggesting you are—just like the only people who walk about wealthy from litigation, which

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is other people's misery, is lawyers—we know this. The only people who walk away wealthy from securing advancement for political cronies is the crony. The person who secures it loses; the country loses.

That is why so-called transparency is so important in relation to these precious investments of capital in a small country. [*Sen. Shabazz thumps desk*] Careful Senator. [*Laughter*] If only my advice to this and previous governments had been accepted, which is this: that every single time the Government makes a major deal, a feature of which is some asset of the country, they must come to the Parliament and make the fullest possible disclosure about that deal. I have been advocating this for six years. For six years I have been saying, over the life of two governments, forget all the speculation about who gets. From the time you conclude a deal using a public asset, whether it is gas or anything else, come to the Parliament with an executive summary of the deal, making the fullest possible disclosure. That is essential. I have advocated it in the Parliament, despite all of the hard things I said about some of their members.

American Chamber of Commerce (AmCham) invited me to give a talk in Hilton on the question of foreign investment on June 14, 1996 in a seminar entitled “Perspectives on Foreign Investment Accountability to the Host Nation”. I emphasized the importance of the government of the day, whoever they are, coming and laying all the details of the day before the country so people can make their own assessment about whether the deal was fair or not.

So Mr. President, I want to suggest when we debate the budget and, indeed, when we come to debate Sen. Dr. St. Cyr’s Motion—and I hope the press reports that we are adjourning until November are wrong, because otherwise we are now going to make the same mistake of not doing work while we have time and then being asked to stay here. We have the Sawmills (Amdt.) (No. 2) Bill and Forests (Amdt.) (No. 2) Bill. Let us meet next Tuesday and do them, and whenever is the next Private Member’s Day, let us start work on Sen. Dr. St. Cyr’s Motion. Let us not start storing up everything.

Given the background which has been sketched by some of the other contributors in the debate, the things we should be debating are these: What we will do to obtain the best possible terms and benefits from potential foreign investors. That is to say, for example, did we get the best possible price for the natural gas input in the agreement which we made that was available at the time? That requires disclosure. How well are we going to use those benefits to provide the greatest good for the greatest number? Sen. Dr. St. Cyr has made the point

that the foreign investment does not distribute income through the society. The Government simply collects the results of it, and then your task is how to distribute it. We should be debating what we are going to do to reduce dependence on direct foreign investment. The point has been made, and I will not repeat it, that involves a discussion of how we are going to develop the local economy so that all our eggs are not in the foreign direct investment basket.

Most importantly, and which is why I have unbridled admiration for the Government's statement about computerization, how will we equip our peoples to participate in the opportunities created by direct foreign investment? The first thing we have to do is to be educated, *au courant* with what is going on in the world around us. We also have to be discussing what are the unique aspects of our economy that we need to preserve at virtually all cost. Are we going to privatize the national airline or die, or are we going to say we must have the freedom to have our own air transportation system because we are an island nation with specifics? The same goes for the export allowance, and I am asking the Minister of Finance if he is in office in the year 2000 to fight them on the export allowance. They will tell you you must remove it because it is an unfair subsidy. Ask them for how many years and to the tune of how much money have the French and the British governments subsidized the building of the airbus to compete with Boeing and McDonnell. Fight them for the export allowance. Do not let them pick our pockets on it.

The sixth thing we have to be discussing, and this has been raised by the other Senators, is how to curtail the translation of the benefits of foreign direct investment from going exclusively into foreign consumer durables. I will have a word to say, time and my voice permitting, on the FU fees, because this budget deals with FU fees, that is foreign used fees. The seventh point is, what new investment are we going to get in the changed climate and I know we are going to hear lots about that.

I am not suggesting that is an exclusive list, but that is what we are talking about. Those are the things which we have to consider. Those are the things on which we have to judge any Government's performance, not about if this one got a sweetheart deal over that one. That is just meaningless. You cannot begin to discuss if somebody got a sweetheart deal unless you know all of the details of the two deals which you are comparing, and we know the details of neither. In both of them, the Government through ignorance, not out of dishonesty, might have made a very bad deal. They might have sold the gas too low, or maybe that was the best price.

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I have had the benefit of a few private conversations with the Minister of Energy and Energy Industries when he does something environmentally unsound. But we discuss these issues informally and he has explained to me the difficulties of the world's gas market and the countries we are competing against. Maybe, if the Government—whoever the government is—would say when we did the deal with abracadabra we agreed to a gas price of so much per cubic metre; and when we did the deal with the second magician we agreed to a gas price of so much; and it was not a sweetheart deal, it was the best we could get because at that time Oman was begging people to come in and take in a loss on their gas prices. Unless the Minister tells the people and the Parliament these things, we will waste a lot of time speculating about whether this deal was a sweetheart deal, the best deal or the other deal. That is why full disclosure is so important.

Mr. President, may I just point out also, that so tight is the grip of this new world economic oligarchy on the world economy, they are now so big that when they make mistakes other people have to come in and clean up the financial mess after them. We just had the collapse of a hegemony which was making investments on the basis of advice of two—not one—Nobel Prize winners for economics, and the hegemony failed. And what do we find? A total of 14 banks—Barclays, Union Bank of Switzerland—were all participating in this hegemony. When it failed, it was so big that the oligarchs just said, “Well, we made a little mistake and we did not anticipate the problem in Asia but boy, if you all let this thing fall it would bring down the whole world.”

3.20 p.m.

They remain smoking cigars and drinking claret as they were doing when they were speculating with the money of 14 banks—they remained in the same mode, smoking cigars and drinking claret—and telling the governments that were involved, “Swat south, you know, otherwise you have a problem.”

So, now, one of the things that the commentators are discussing is how to make the creditors of countries that suffer bear some of the loss. That is one of the issues being discussed now. Who is going to make Acker pay? That is what they are discussing. Who is going to make Acker pay?

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

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

Question put and agreed to.

Sen. M. Daly: Mr. President, what a strange world it is when we are struggling with foreign debt and Sen. Marshall explained how much of the pot the foreign debt takes. In the years when the PNM was in power, I had every sympathy for them. They were a little “harden” as is known, Minister of Public Administration, but in the years when the PNM was in power and under pressure to buy liberalization at all costs, in those years, if Brazil or Trinidad and Tobago—it did not matter whether it was a big country or a small one—said to the foreign agencies, “We want a little moratorium on the debt”—Mr. Robinson sent Mr. Dookeran to the Paris Club to try to give us a little ease up, to get a little rescheduling and they were told, “If you only ask for rescheduling, we will cut you down. You have to pay.”

Listen to what they are discussing now, not only how to make the creditors take part in the loss which they have created. Listen to what is being said. This is from the *Financial Times* of October 2, 1998.

“The IMF should accept that, in a crisis, default will often be necessary,....”

Are they hearing this?

“...and should be prepared to sanction a debt standstill. Meanwhile, there should be an accepted procedure to get creditors to the negotiating table. This process would not only help to stabilise the economy in crisis but would also solve the problem of moral hazard, since creditors would have to take losses.”

Mr. President, do you realize how much the world has changed in the time since we have changed governments, when the previous government was being told by one US Ambassador that it must do this; it must let in investors or else? But the moral of this story is, IMF and all the people who presume to advise us were not very competent, Nobel prize or not. So now when they tell you, “Kill BWIA and take the export allowance”; say to them very respectfully, “All the commentators now are saying you did not know what you were doing either and you have been responsible for creating the mess and you cannot tell us what we must do under any circumstances.” They have been proven wrong.

Sen. Kuei Tung: Is the Senator really making an argument that globalization has failed? Or, is he making a case that we should review globalization and our experience with it?

Sen. M. Daly: Very much the latter. We have to review globalization and our experience with it and we have to review the fact that previous governments—and,

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to some extent, this Government—have been told, “You must do something or else.” I am saying, really, in the old days of the cold war, there was the non-aligned movement where countries as big as India, as small as Guyana, that did not want to get caught up in taking sides in the cold war, formed the non-aligned movement. What I am saying is the time is right for a non-aligned movement of countries for financial matters, not political matters, so that no particular ideology can be forced down our throat.

I am grateful for the question because I am very clear in my mind about what I am saying. We have to review our experience of globalization and, along with other countries—I am sorry they have political problems—who have not suffered—we have not suffered to the same extent yet—we have to say to these world powers, “We are reviewing globalization and you cannot tell us 100 per cent what we do. We recognize that we are in an inferior position. We do not have the money; we need the capital, but we need to be sure that certain aspects of our economic life would be protected.”

Because, what I am saying in further answer to the Minister of Finance, is that this world economic oligarchy—I wrote it down so that I would not be misunderstood about what I wanted to say—has challenged every single piece of political and cultural diversity in the world. Rudder has it—“Nike psychology”. It does not have “washykong” and drag brothers’ shoes, okay. Every single piece of cultural and political diversity has been challenged by the world economic order. And Rudder sums it up in “Nike psychology”.

I am not a Luddite. I am not suggesting that everything that is new must be mashed up and that we must mash up globalization, but I am entitled to say that in my six years in the Senate, I have repeatedly said that we cannot swallow these foreign prescriptions hook, line and sinker. We cannot. We have to protect certain things that concern us. I am not suggesting that little Trinidad and Tobago could do it alone, but there are other countries that are now suffering and, if necessary, we must make some kind of non-aligned movement so that we do not have to hitch ourselves 100 per cent blindly to any particular economic philosophy. That is what is involved in trying to review the fact that we now have an anarchy of markets.

Mr. President, with respect, those are some of the things which we should be debating. I am very pleased that, for just a little lawyer, I can think about these things and hear echoes in what I am saying in the contributions of Sen. Marshall, Sen. Dr. St. Cyr, Sen. Prof. Spence and many other Senators who understand. I

only have an instinct in understanding these things, because I understood from the minute we were told “privatize or die”, I knew instinctively that was wrong. I knew it was duress; I resented it and I would be less than human to say that I am not enjoying the discomfort of these things.

Because, thanks to them, I had to sit in a ratty old plane that carries the name of my country on it and feel embarrassed—thanks to them. Acker was here when he came in, too, “Go with it or else.” It published the fact that we had passed the legislation before we had finished debating it and I had nothing but sympathy for the Prime Minister and the government of the day who were subjected to those kinds of pressures. Your turn will come. Your first few years in Government have been in times of comparative economic prosperity worldwide. Your real test is coming now and, with the greatest of respect and not very humbly, I am suggesting that you forget about total quality nation; forget about talking about whether Tobago and Trinidad should “marrid”. Let us get down to real brass tacks; get ready to face that harsh world out there and stop discussing about who “tief” more than who; who better looking than who; who have more women in the Cabinet than who. Let us get down to the real issues and stop this pettiness. As Sen. Prof. Spence said, and I am not as polite as Sen. Prof. Spence, stop all this ritual desk thumping if somebody scores some petty little point.

These are the issues facing us as a small country and we have been facing them since 1987 and the history has not changed. With respect, these are the things that we have to consider.

Insofar as this budget, in the ways in which I have suggested, has not dealt with these issues, Government is not thinking clearly, and I think it was Sen. Prof. Spence who said today that they have to level with the population and explain things to them. Mr. President, do you think it is going to be very nice if we do not explain reality, if we keep saying, “We grow with economy; we reduced unemployment”; if this population has to go through structural adjustment a second time? It was raised up and thrown down; raised up and thrown down again.

Mr. President, do you know what is happening to rents of properties in the West? Do you know they are halved? Do you know there are certain properties that were rented out to expatriates for the first building boom here that are like ghost towns? Some of them are in the area of the hon. Senator who lives in the real world and knows what I am speaking of. He passes near a ghost town every time he goes home, because people thought they would be able to get US \$3,000 a month for those apartments forever.

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Sen. Finbar Gangar knows what I am talking about. The first wave of gas tourists are gone and if they want to do something for tourism, they better get a second wave of gas tourists. That is what they have to do. They have had the easy part and that is why I am saying, not very humbly, stop beating chests; stop putting down all the camouflage; get ready to deal with the real issues. These are very serious matters.

Mr. President, do you know that is why David Abdulah could write in the *Newsday* and we should be ashamed because he talked about—do we want people to see this?—“Little boys in Parliament”. Because we are having a discussion about Tobago and Trinidad should “marrid”. Do we want to be “Little boys in Parliament”? Do we want to let the population down having all these petty squabbles, talking about kicking the jack, or hanging the jack, when people are trying in their own way to express their concerns and their fears for the future? Are we going to sit here and talk about kicking the jack?

Mr. President, I am sorry if I have rambled but I feel very strongly about these issues, because I have lived through them in more than one Senate and, in fact, many of us were put under a certain amount of pressure for the fact that we tried to adopt Sen. Dr. St. Cyr’s approach to dealing with all these issues on a case-by-case basis and not swallow any particular ideology hook, line and sinker.

Mr. President, I am afraid this budget is indeed lacking in the ways I have said and, woefully for the country, the debate, until of course, we got to the Senate and Sen. Montano stroked the ball. The Government does not have to agree with him in everything he said but he spoke sense; he spoke to the issues. He was followed by Sen. Marshall and the first day of debate here was exhilarating and those Senators fulfilled their duty to the country and anyone else who comes here with a prepared text and reads it out and does not respond to the things raised in the debate, should not be here. They simply should not be here.

Yesterday, because I am not as polite as Sen. Prof. Spence, I sat here and thoroughly enjoyed Sen. Williams’ contribution because, apart from wanting to get a reference to the good book right, she never read; she stood and said what she thought about Tobago. She knows me well enough when I say that all this loose talk in the paper about “marriding” up and this kind of thing, is not because I disagree with her, but because I am trying to get us to see the big picture. While the two arms of the unitary state are squabbling, what is going on out there? So, it is no point coming here trying to score political points, reading a speech and so forth.

Mr. President: Two more minutes, please.

Sen. M. Daly: That would be sufficient, Sir, to dispose of the FU fees, that is to say, the foreign used fees. Mr. President, is that not a perfect example of something being done without any thought? Do you mean to say when we decided to have a foreign used industry, we did not know that the roads would get crowded, we did not know that the value of used cars bought from regular dealers would slump? Did we not know those things? That is what I mean because, of course, the motorcar industry was never approached by the Government in a thought out fashion. There were the big dealers telling it one thing; there were the foreign used telling it something else; so, in one a little something was given to the big dealers; another year, a little something was given to the foreign used dealers.

They never thought out the problem and I refuse to believe that someone as intelligent as the Minister of Finance needed three years in the foreign used industry, only then to find out that the value of used cars bought from the dealers would slump, or that the roads would become crowded. It is because they did not think it out; it is because they yielded to the pressures of the lobbyists, just as governments as a whole, have yielded to pressures of lobbyists before. We have to start thinking. Before we could start using those computers, we have to start thinking about what we will be putting in them, because you know the saying, Mr. President, put—

Sen. Dr. St. Cyr: Garbage.

Sen. M. Daly: —garbage in, we get garbage out.

Thank you, Mr. President.

3.35 p.m.

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. President, it is certainly a pleasure to rise and make my contribution to this particular debate. First of all, let me extend congratulations to my colleague, the hon. Minister of Finance, on his presentation of such a historic and challenging budget. It is historic because it is the first budget which embodies a change in the financial year from October 1 to September 30, and challenging because, as has been alluded to by many Senators who spoke before, it was made against the backdrop of a worsening economic crisis worldwide.

Mr. President, we are all aware, through the Internet and information systems, of the problems being faced by many countries worldwide and of the economic

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chaos which exists at present in the southeast Asian countries, formerly called the Asian Tigers. Of more alarm is the effect this world economic crisis is having on some of the more established economies in the world. In September of 1998, the Japan economic unit indicated that during the period April to June, 1998, its economy had shrunk by 3.3 per cent on an annualized basis. We are all aware of the debacle in Russia where not only has the Russian financial market collapsed, but the rouble has dropped by 75 per cent of its value.

Moreover, we are now seeing signs that the United States of America's economy itself is not immune from the effects of the world economic crisis. Further, we have been told, in recent times, that the IMF, which is normally viewed as the lender of last resort, is having serious problems in accessing funds to help the ailing economies of the world.

Mr. President, this economic malaise does not only apply to countries in general, but also the largest multi-national corporations. For example, in today's newspapers we read that Exxon's third quarter earnings for 1998 dropped by 23 per cent while Amoco's earnings in the third quarter also dropped by 50 per cent from US \$635 million in the corresponding period last year to US \$295 million for the corresponding period this year.

Mr. President, we in Trinidad and Tobago cannot remain isolated or insulated from what is going on around us. Contrary to what some of us may have the population believe, this Government is fully cognizant and really tuned in to the effects the world's economic crisis can have on Trinidad and Tobago. As the Minister of Finance has explained in his budget presentation, more than \$1 billion was lost in revenues this year from the three main commodities in which we trade on the world market: oil, ammonia and methanol.

With particular reference to oil, I quote from the *Platt's Oilgram News* of Thursday, September 10, 1998 which states that OPEC's revenues seen off 32 per cent in 1998 is the worst year since 1972.

“Overall oil export revenues for the 11-member group are projected to fall to \$100.6-bil in 1998 from \$148.7-bil in 1997, a 32 % drop...”

It noted that Mexico had slashed its budget three times in 1998. It also said that Russian oil revenues are estimated to have fallen by 25 per cent and that Ecuador's Central Bank had reported first half 1998 oil export revenues of \$430 million down from \$674 million in the 1997 period.

Mr. President, that is the backdrop against which this Government has been managing the economy of Trinidad and Tobago in the year 1998 and we would continue to manage the economy along similar lines in 1999 because it requires a tight fiscal management policy and also a great attention to detail.

Mr. President, it would appear that some among us would expect that we must remain totally unshaken by what is happening around us. It is indeed sad when so-called responsible members of the community, Members of the Opposition and the media talk about broken promises because we were not able to implement our \$25 million promise for single mothers. Also, the Minister of Finance has previously explained that provision of loans for civil servants to purchase computers could not be accessed solely due to bureaucratic needs.

I was very amused and amazed by Sen. Jagmohan's plea for an increase in pensions for retired public servants in these stressed financial times. In the days of the oil boom and during the 35 years of PNM rule in this country, I think only once was an increase given to retired government employees. So, while I compliment the PNM on having a new-found social conscience, I can only say that they did not implement such measures when they held office for 35 years. I think there is one word for that, hypocrisy. [*Desk thumping*]

Mr. President, Sen. Daly mentioned that the Government should explain to the people of Trinidad and Tobago how it was able to manage the country during the last year. As I said, it was due to tight fiscal management and discipline, but little does the general public know how hard this Government works, although I take it that even our biggest detractors would agree that this Government takes the business of managing this country in a very serious manner.

Mr. President, Cabinet is run on a system of Cabinet Notes, whereby Ministers take them to the Cabinet, particularly so when it requires expenditure, and in most instances they are referred to the Finance and General Purposes Committee of Cabinet which goes through them in great detail. Every Monday morning we spend five hours going through this particular process and it is only after this do we agree that, in fact, the money could be spent on such items. I think that answers Sen. Daly's question as to how we manage. It is because of our diligence and our adherence to fiscal management and fiscal discipline.

3.45 p.m.

Mr. President, I now turn to some aspects of the energy sector which seem to have developed a certain amount of interest, and quite rightly so, because the

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energy sector in this country continues to be the main engine of growth and the catalyst for future development in this country, and that is quite understandable because the vast majority of our natural resources reside in the energy sector of Trinidad and Tobago. The figures for 1998 make interesting reading.

The contribution to the Gross Domestic Product was 27.4 per cent; the contribution to foreign exchange earnings was 67.8 per cent, but the contribution to Government revenue was 9.9 per cent—and these are the Central Statistical Office's and the Central Bank's statistics. The significant figure there, is the contribution to Government's revenue of 9.9 per cent. This compares with figures of 21 and 23 per cent in the years 1996 and 1997. So it tells a story that the energy sector's contribution to the Government's revenue declined significantly in 1998. As I said, three main factors contribute to this: the fall in oil prices, the fall in ammonia prices, the fall in methanol prices and, as the Minister previously explained, the development works associated with the Atlantic LNG project, the upstream development works had to be expended against the government's revenues, and that is the way the taxation system in Trinidad and Tobago is designed.

However, the energy sector was the greatest contributor to the Gross Domestic Product growth of Trinidad and Tobago where three or four main factors contributed significantly to the 5 per cent projected growth. These are the commissioning and start-up of the Farmlands Ammonia Project, the PCS Ammonia Project, the Methanol 4 Project and the increase in throughput associated with the Pointe-a-Pierre completion of the Pointe-a-Pierre Refinery upgrade project. Those were the four main contributors in the growth of the economy of Trinidad and Tobago for the year 1998.

I also wish to add that the construction in the energy sector contributed to the employment of 7,500 persons in the year 1998, and this was a major contributor in bringing down the unemployment rate to its lowest level in 14 years to 13.4 per cent. The development of the energy sector in this country is driven basically by our hydrocarbon reserves position. The current reserves position and the trends in petroleum production indicate that two basic objectives must be achieved. First the stimulation of exploration to prove-up more crude oil reserves and, secondly, utilization of natural gas resources.

We, as a Government, focus on encouraging a greater level of participation in the domestic economy of the non-energy sector. We must continue to pay close attention to those activities which add value to the country's oil and gas reserves.

We have been able to withstand some of the vagaries which have been associated with the world economic prices because certain policy shifts have been implemented over the last three years, placing a greater emphasis on natural gas production, attracting investments in downstream natural gas based industries and boosting oil and gas reserves through a series of initiatives, including the leasing of acreage for oil exploration and production.

Notwithstanding the declining oil revenues in 1998, it is with pleasure that I say that our developmental efforts in the energy sector and our attempts to attract foreign investment in this country have not been affected.

Much has been said about oil prices. There has not been any economics professor or econometrics or energy expert who has been able to predict accurately what oil prices would be in the future. It continues to defy logic, it continues to defy reason and mathematical probability.

I, myself, have been researching the world libraries with respect to various Ph.D. theses on how to predict oil prices, and I dare say, that all of them are wrong.

In 1998 we based our budget on prices of \$19.00 a barrel and unfortunately, it fell to an average of \$14.12 for the year.

In 1999, we predict with some trepidation an oil price of around \$14.00 a barrel. While I am on the subject of oil price, it is important that I advise or educate—I do not want to sound vainglorious as the hon. Senator said. I make no pretensions of being vainglorious. I couch my words suitably—I wish to advise this honourable Senate how we look at oil prices.

The budget figures which the Minister uses, of course, are his decision but he must consult with the Minister of Energy and Energy Industries and we try to arrive at a consensus. The important thing to understand is that the price we quote in the budget is really our East Coast Galeota Crude. What happens is that in the newspapers and in the literature, the two main bench-mark crudes which are quoted are the West Texas Intermediate and the Brent North Sea. There is a differential between those two crudes.

When the oil price rises in general in the world market, the gap between Brent North Sea and West Texas Intermediate widens to \$2.00 when we get at \$16.00 a barrel. As the oil price drops, the differential narrows significantly, and when it gets down to the region of \$13.00 to \$14.00 a barrel, that differential is between \$.50 and \$.80.

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When Senators and members of the general public see that Brent North Sea is trading at \$13.80 per barrel, to get the price as it relates to our budget year, they can just add about 50 cents or 60 cents. This would give the approximate price at which our East Coast Galeota crude is being traded so that the man-in-the-street could track how well we are doing with respect to oil prices.

Not wanting to sound vainglorious, I thought I would enlighten Senators on this particular issue.

The constant challenge which a country such as Trinidad and Tobago faces is to keep in balance between our upstream and our downstream development in the hydrocarbon industry. There must be a balance. The upstream sector is the producer while the downstream sector is the consumer. Any economic exercise would indicate that there should be a balance between supply and demand. The Government's energy policy, as stated in the draft Green Paper laid in this honourable Senate, has nine basic fundamentals. One is to maximize crude oil production and another to monetize our gas reserves.

In this country, we have been facing, over the last 20 years, a shift in how the industry has developed. In 1978, crude oil production in this country peaked at around 228,000 barrels per day. At that time natural gas produced in the exploration of oil as a by-product—what we call associated gas—was really regarded as a nuisance by-product and not properly utilized. We had one plant and that was the old Fedchem W. R. Grace Plant.

Since then we have had a shift in the development of the hydrocarbon sector in Trinidad. We have had a progressive decline in oil production from 228,000 barrels to 123,000 in 1998. We have an almost exponential jump in our utilization of natural gas. That was a deliberate policy because not finding oil and finding natural gas, we had to find ways to monetize the hydrocarbon assets, particularly so with natural gas.

In 1996, a very significant factor occurred in this country when, in terms of barrels of oil equivalent, natural gas surpassed crude oil in terms of being the main driver of the economy of Trinidad and Tobago. If one converts the energy derived from natural gas to barrels of oil, one would see that the barrels of oil derived from natural gas has now surpassed the actual barrels of oil produced in crude oil production.

Also, Mr. President, we suspect—and it is very difficult to ascertain it at this stage—that the revenues from natural gas have now surpassed oil, or will surpass it in 1999. Because of the taxation system, it is very difficult to apportion which part is oil and which gas, but the technocrats in the Ministry of Energy and Energy Industries have advised me that in 1999 the revenue stream from gas will surpass that of oil.

Based on that, it is incumbent on us to continue our very aggressive search for oil and gas, which has been done in 1998. We continue to search for oil because it is much easier to transport and trade. It has a much more direct effect on the economy because a well is just drilled, the oil is separated from the water, put into a tank and it goes into a ship. With respect to natural gas, this requires large levels of capital investment to be monetized.

In 1998, we continued our very aggressive thrust into oil and gas exploration, which will continue in 1999. As Senators know, over the last 30 months, we have signed 13 production-sharing contracts with significant signature bonuses which total, for this year, TT \$558 million. This has gone a long way in assisting the Minister of Finance to manage the economy of Trinidad and Tobago.

The production-sharing contract system is one which affords a relatively equal sharing of risk between the producer and the Government and requires virtually no expenditure on the part of the government. Consequent upon the award of these contracts, while we all sleep at night, work is continuing on the East Coast of Trinidad and Tobago with respect to doing the exploration work to access more oil and gas.

In 1997, 3,400 square kilometres of 3-D seismic surveys have been completed, while in 1998, 5,300 square metres of 3-D seismic surveys have been completed. Based on these surveys, our exploration programme with respect to drilling has commenced in earnest this year. Over the next three years, we intend to drill 26 wells at a cost of US \$446 million. We have found significant reserves of gas, particularly over the last year, in the North Coast marine area. In the Hibiscus area, we have had two successful exploratory wells drilled yielding reserves of more than one trillion cubic feet of gas. Of course, in July of this year, Enron announced in the modified UA block, the discovery of another one trillion cubic feet of gas. In even more recent times, Amoco has announced, with respect to their Parang Field, a discovery of gas and condensate.

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As we move further off the East Coast of Trinidad and into deeper waters, we certainly are cautiously optimistic that we will be successful in our efforts to explore and find additional hydrocarbon reserves.

We must not forget our land. Earlier this year Petrotrin and the Ministry of Energy and Energy Industries collaborated on a joint effort to rationalize our land exploration programme. Under the former administration, there was a programme known as the Southern Basin Consortium which, unfortunately, was not successful. We took a decision to take the useful data derived from that study, repackage it and rebid out the entire area. We are in the process of making awards in a number of areas—the Central Block, the Eastern Block, the Moruga West Block, the Brighton Marine area, the East Brighton area and the South West Peninsula of Trinidad.

4.05 p.m.

The end product of this very aggressive exploration land programme would be to ensure that we maximize crude oil production from our land resources. We expect that in 1999 the level of drilling and exploration work on land would exceed what has taken place in this country over the last few years. In fact, over the next three years, we expect to drill more exploratory wells on land than have been drilled in this country over the last 25 years.

Mr. President, many of Trinidad and Tobago's onshore wells and fields are now in the final stages of production and secondary recovery can prolong the life and the ultimate yield of crudes from these fields. With that in mind, we would be introducing from November 1, 1998, a new royalty formula which we confidently expect would breathe new life into land exploration in Trinidad and Tobago.

We in the ministry did a survey—these things are very simple they do not need any great mathematics—and we found that of the 31,000 barrels of oil which are being produced on land, fully 17,000 barrels per day were uneconomic to produce based on the existing royalty formula of 10 per cent. It was uneconomic, in fact, for Petrotrin and other small operators to produce wells below \$10.00 per barrel, particularly so in the arena of depressed oil prices. So we have come up with a royalty rate which has been widely accepted in the industry for its innovation and its incentive approach which would seek to stimulate oil production in Trinidad and Tobago. The royalty formula is a very simple one which would be determined on a field by field basis.

The production per well would be established by dividing the total production of the field per day by the number of wells. It is given as follows: the average production per well minus 5, divided by the production, multiplied by the price prevailing at that time, minus 5, divided by 5, multiplied by 16. That may sound reasonably complicated, but it is not. What it means is that the royalty rate, when production drops below five barrels per day would be 0 per cent and, of course, it would increase incrementally as it goes up. What it does really is that it is a cushion for those wells which are small producers, particularly so in a depressed oil price environment.

Also, Mr. President, the new royalty formula would be able to prolong the life of stripper wells since it would stimulate the development of secondary recovery, because we have included in the definition of wells, not only producers, but gas, water, steam ejectors and other wells used for the purpose of injecting fluids in the reservoir. Clearly, that is one of the mechanisms the Government intends to use in 1999 to stimulate production on land and, of course, that has attendant, social and economic benefits which would further stimulate employment in the South/West Peninsula in Trinidad which remains one of the most depressed areas of this country. Further, it would also help to improve refining margins because as you know our refinery margin on local indigenous crude oil is much more significant than if we import crude and process it.

We talk about natural gas and its production and utilization. Natural gas production this year averages around 900 million cubic feet per day, next year it is due to rise to around 1.5 billion standard cubic feet per day primarily due to the coming on stream of the Atlantic LNG project. Of course, the consumption this year was increased because of the commissioning of three new plants; the Farmlands Ammonia Plant, the PCS Nitrogen Plant and the Methanol Four Plant. Next year, we would have primarily the Atlantic LNG Plant which would consume 425 million standard cubic feet per day, and of course, the two DRI plants; the ISPATT DRI Plant and the Cleveland Cliffs DRI Plant. Much had been said about natural gas consumption and utilization and this country is now in the process for the first time of developing a natural gas utilization strategy along the lines which previous speakers have recommended.

Natural gas is in fact a wasting asset and we have to be careful that we utilize this resource in a manner which is consistent with the objectives and interest of the people of Trinidad and Tobago. Directionally speaking, we are looking now at where, as a matter of policy we are ensuring that at any given time our gas

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reserves to consumption ratio be not less than 30, preferably 35. In other words, we must keep within certain ratios in order to properly manage our gas usage.

Mr. President, much has been said by armchair economists—that is the most charitable word I would use to describe them—about how we utilize gas in this country. As I have said previously, gas in this country is not cheap by any standards. Gas in Venezuela is available at 60 cents, gas in Qatar and Oman is available at 50 cents. We acquire gas in Trinidad on an average of \$1.06 per thousand standard cubic feet per day, so gas in this country is not cheap. We are facing even bigger problems now where gas in countries such as the United States of America are sold as a commodity on the open market, and with the depressed nature of the world's economy, gas is a prime mover and you find that the price of gas in the United States of America has been dropping significantly from somewhere around \$2.50 per million BTU or standard cubic feet, it has now dropped to \$1.65 so we must be cognizant of what is happening around us and be careful that we do not fall into some false assumptions.

The other problem we have about gas utilization in this country is that we are still one of the primary producers and that is because the economic forces drive us in that direction. We are primary producers of methanol, ammonia, and iron and steel. There is much clamour and there was much uninformed debate about downstream industries, but these industries must be driven by economic factors. Investors do not come here to invest because they like the sun and the sea and the good life in Trinidad and Tobago, they invest because it makes economic sense to them.

At this point in time, it is more advantageous for investors to take the primary products, methanol, iron and steel, not ammonia so much, but iron and steel, and methanol and transport them to the metropolitan countries and do the downstream industries. There is one reason for that, which is, there are no inherent large domestic markets in Trinidad and Tobago so what has to be done is to create the markets. That is how this Government in its holistic way does business, and has been aggressively pursuing not only entry into NAFTA, but also in the context of bilateral negotiations with various South American countries particularly so with Brazil.

So we can sell our products in a friendly trade environment bereft of all the different types of tariffs which currently exist. So unless we do not create a market in proximity to Trinidad and Tobago, our quest for downstream industries would remain very, very difficult. That is why we are trying to move our industrial

development in a particular fashion granted we have to keep our investment going. This has been a significant factor in insulating us from the economic malaise which affects the general world. We have to keep foreign direct investment in this country.

I do not want to sound vain glorious, but just to educate Sen. Daly why foreign investors cannot take the investments and leave Trinidad. That is the fundamental difference in the economic structure of Trinidad and Tobago from the Asian economic tigers, the investments there were mainly on the stock exchange but when you get an investor to invest in a \$1.5 billion LNG plant he cannot take it up and it is virtually impossible to move it and put it elsewhere. Sen. Daly, I hope you understood that particular nuance of foreign direct investment as it applies to plant, equipment and machinery.

With respect to our investments, I think the question arises—

Sen. Daly: Can I—

Sen. The Hon. F. Gangar: No, I have a time constraint. I have received a number of queries as to when our current slew of investments are completed where do we go from here. This Government recognizes this moreso than anybody else and we continue to work hard with respect to attracting foreign investments in this country. We are in the midst of negotiations to build yet another ammonia plant in Trinidad with Caribbean Nitrogen Company. We are in the midst of negotiations to construct two more methanol complexes in Trinidad: one a company called Atlas, and another, Methanex which is from Canada. We are also aggressively pursuing and have concluded gas pricing negotiations with one investor with respect to a gas to liquids. This plant takes natural gas and converts it into middle distillates which can be sold as high-valued products.

Mr. President, we are also working very assiduously on the setting up of an ethylene-based petrochemical complex in this country. We have signed a Memorandum of Understanding with a number of foreign investors and the feasibility study of this particular project would start in 1999.

Of course, we are also in the middle of negotiations for a second and third train of Atlantic LNG and the decision on those would be taken in early 1999. So we are very focused on continuing to attract foreign direct investment in this country.

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One project which I would like to mention is the aluminum smelter project. As you know, this Government has been negotiating over the last two and a half years for an aluminum smelter in this country. This has been a 25-year dream of this country and sooner rather than later we would have to make a decision as to whether we are going to site an aluminum smelter in this country, and I am pleased to advise that we are at a very advanced stage of negotiations with respect to setting it up.

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

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

Question put and agreed to.

Sen. The Hon. F. Gangar: One of the major successes of the energy sector under this administration has been the turnaround of the state enterprise sector particularly so in energy.

4.20 p.m.

We have been working assiduously with our state enterprises over the last few years to ensure that the laziness, incompetence and arrogance which characterized this sector has, in fact, been eliminated and replaced by efficiency more along the lines of a private sector basis. The results are quite evident. Petrotrin has completed its refinery upgrade project. Average throughput for 1998 has now increased to about 160,000 barrels per day compared with 107,000 barrels per day in 1997. Of course, we have not only increased throughput but we have a wider slate of products and a better quality product. Of course, we have had major reorganization in this particular company.

National Petroleum has been a major success story, both in terms of its physical infrastructure and in terms of its profitability. Mr. President, I would just quote for you the consolidated profit and loss account of the National Petroleum Marketing Company over the last four years. In 1994/1995 the profit before tax was \$16 million; in 1995 it was \$33 million; in 1996/1997 it was \$38 million; and in 1997/1998 it was \$63 million. So, in fact, we have done remarkably well in this particular state enterprise. We have not only upgraded and are upgrading the physical infrastructure. When we took office we had a serious situation where the vast majority of underground storage tanks were leaking and posed a major

environmental hazard to Trinidad and Tobago. All of that has continuously been eliminated. Of course, we have started our service station upgrade project which is very well underway and by the middle to third quarter of 1999, we expect to have 25 service stations virtually completely rebuilt.

National Quarries, another state enterprise which has been used as a house of refuge over the last 20 years, they are owing royalties somewhere in the vicinity of TT\$10 million. As a state enterprise, nobody ever bothered to collect it or even asked them for it. They are now paying their royalties on a phased basis, including the backlog, and they are turning now a major operating profit. So in all our state enterprise sectors we have done remarkably well.

Finally, I want to turn to some environmental matters with respect to our compressed and natural gas thrust. When we took office we had 14 service stations, about eight of them were working and the rest were in various states of disrepair. Due to a very aggressive input by the Minister of Energy and Energy Industries himself, we now have, as of today, the 14 CNG stations operating which is a marked improvement on previous performance. We also intend to award shortly, a licence for a private operator to dispense CNG and more significantly, an agreement has been reached between the Minister of Works and Transport and myself, in that the entire Public Transport Service Corporation new bus fleet will be outfitted with CNG engines. [*Desk thumping*]

We also intend to phase out, Mr. President, leaded gasoline by January 01, 2000. This is an objective which is much easier to achieve than one will realize because of the degree of planning. Because of the refinery upgrade at Petrotrin, they would be able to supply the entire demand of unleaded gasoline for the whole of Trinidad and Tobago. Concurrent with that, the National Petroleum Company's service station upgrade, all the tanks will be only designed for unleaded gasoline. As we upgrade our service stations we would gradually phase out leaded. The committee which I appointed to thoroughly investigate this matter, has assured me that almost all cars manufactured after 1972 would have absolutely no problem in switching, without modification, from leaded to unleaded gasoline. I hear my good friend, Sen. Montano, mumbling to himself that he may have to buy a new car, but I am assured by my advisors that that is, in fact, not so.

With respect to quarries and mining, Mr. President, we, in fact, have revolutionized the entire quarries and mining industry in the country by going out on a system of competitive bidding. Among other things one must do, one must submit a detailed mining plan and a restoration plan before one gets a licence.

Sen. Shabazz: Is Soodhoo getting the contract?

Sen. The Hon. F. Gangar: Another feature of this is that all outstanding royalties must, in fact, be paid before one gets a licence to quarry. Further, Cabinet has approved the legislative brief, and drafting is in progress for a new quarries and mining legislation which will replace the six pieces of legislation which currently exist since 1918 for the entire quarrying industry. So we want to have one umbrella legislation which would effectively lead to the proper administration of the quarries and mining subsector in this country.

With respect a point which was raised by Sen. Prof. Julian Kenny, and it deals with the Parrylands Government School, this problem has bedevilled and befuddled experts from abroad and Trinidad and Tobago for the last two years. The situation has worsened. I took a decision on Friday of last week to shut the steam plant down while we continue to do more tests. The final collection of base line data was completed this morning and I am pleased to advise this honourable Senate that the Ministry of Energy and Energy Industries has issued instructions to shut down the Parrylands steam flood project.

Mr. President, there are a number of matters I would have liked to attend to in my presentation today but time does not permit. I have about five minutes again which I would like to devote to some of the comments made by my hon. colleagues, both on the Opposition and Independent Benches. I see Sen. Daly has returned and he savagely berated this Government for insisting on a total quality nation. I find that is extremely strange. That is what they call being vainglorious. [*Desk thumping*] It smacks of arrogance and conceit, should I say so. Is the Senator saying that the country must not aspire to excellence? Is it wrong when you aspire to a total quality nation you want to eliminate dengue, red eye and floods? That is what a total quality nation means—a vision for the future. For too long in this country we have not had a vision. [*Desk thumping*] I thought it absolutely important that I make that particular point.

I was not here for most of yesterday's debate, Mr. President, because I had to go to a function in San Fernando. Lo and behold, when I opened the *Trinidad Guardian* this morning I saw where a Member of this Senate tried to tar with a broad brush approach to the entire Cabinet of Trinidad and Tobago by not only alluding, from what I read in the newspapers, but making a direct reference to any Government Minister who is a wife beater should leave the Cabinet. If the goodly Senator has information that a Minister is beating his wife, she should take it to the

police, but I think it is reprehensible to tar an entire Cabinet with that sort of broad brush approach.

Hon. Senators: The police know already.

Sen. The Hon. F. Gangar: I think it is reprehensible.

Mr. President: Order please!

Sen. The Hon. F. Gangar: I have sought to answer just a few of the comments made. I will assure Sen. Danny Montano that the hon. Minister of Finance is on very good ground when he says that receipts from energy sector loan is a line item in the budget and receipts from the production sharing contract is a proper line item in the budget. Those are not numbers which are, in fact, cooked by anybody but they are, in fact, real money, but I would leave the Minister to deal with that.

So, Mr. President, with those few words I want to conclude my presentation on this particular budget debate. Thank you very much.

Mr. President: We shall break for tea at this stage and resume at 5.10 p.m. This sitting is now suspended until 5.10 p.m.

4.33 p.m.: *Sitting suspended.*

5.12 p.m.: *Sitting resumed.*

Sen. Prof. Kenneth Ramchand: Mr. President, I want to explore two main issues, but I have some ancillary points. The two main issues are: one, the existence in the budget statement of two, apparently, contradictory discourses. One of these discourses we can call social welfare and the other discourse is an economic one. I will show how the social welfare discourse disappears, very quickly, and the economic discourse becomes rampant.

The second thing I want to do is to explore, at some length, an argument that education may be seen and ought to be seen as a macro economic fundamental. It is not something that we supply benevolently after we have achieved economic success. Education is in itself a macro economic fundamental.

Mr. President, before I go into the main part, I would touch on those smaller issues. They are not really small issues, but I do not have time to go into them. The first of them is to repeat a suggestion I keep making year after year.

Given our relationship to the US dollar, the US trade and all these investors mainly coming from abroad, I think the time has really come for this country to declare that the legal tender in Trinidad and Tobago is the TT dollar. Anybody coming into this country with US dollars would have to please deposit their US dollars at the port of entry and take Trinidad and Tobago money, and a receipt. When they are leaving, if they have not used up all their moneys, they would get back the amount in US dollars.

The reason for this is that Government gives so much money to people to buy inputs for manufacturing; money to do all kinds of things; spending money on tourism, but Government does not get the US dollar gains. Government gets TT dollars. So there is the Government, spending its US dollars to assist all kinds of businesses, but the Government gets back TT dollars and these people pocket the US dollars. Sometimes they are locked into savings here, and sometimes they are locked into savings in the United States.

I think it is unfair to the rest of us that the hard-earned US currency that we are working to gain should be frittered away in that way. I feel that the only way is for the Government to say: "The only legal tender in this country is the TT dollar and please deposit your US dollars at your port of entry". It would make a tremendous difference to the amount of US dollars in the Central Bank.

Mr. President, the second small point has to do with energy. I am not going into the various scandals relating to energy, in fact, I am talking about something that could hardly be a source of scandal. Year after year, again, we come in here and we talk about energy, and year after year I have said: What about solar energy? All the houses in this country could get their hot water and some of their lights from solar energy. We are talking about a construction boom, Mr. President. Government is building this, speculators are building that, can we not pass a law that every new building in Trinidad and Tobago should include, in its specifications, solar energy panels, so that the domestic supply of hot water and lights could come from solar energy? It is free!

I have been told by some of the manufacturers that it is difficult to take an old house and do solar energy with it. I have been trying to go solar for years, but I am told that "I will dead" before it pays off, so I cannot do it.

Mr. President, I think that this country is wasting much fuel by not taking advantage of the sunshine that we have so much off, because we are not making solar energy a requirement for all new buildings in the country. There should even

be some kind of incentive to people who own existing buildings to install solar energy.

My third small point has to do with the omission of culture from the budget statement. I hope and expect that the relevant minister would have something to say about it. However, there are three issues that I need to bring up, because people have approached me, and I think it is a shame that the Government has been remiss in some of these respects.

The most important one has to do with the Secondary School Drama Association. Under the People's National Movement this association got \$10,000 per year; under the National Alliance for Reconstruction it got \$20,000 per year. What it does is organize a Caribbean drama festival to be located in different islands from time to time. There is a schools' drama festival in Trinidad every year. What it does is that it sends its members to schools, and they look at literature text and other text that are being used in the schools. They do theatre in the education and help the schools to teach the subjects, through drama.

5.20 p.m.

Mr. President, I cannot think of a more worthy association for support from the Government. In 1995, it received \$10,000 from the present Government; in 1996, the year of the second Caribbean Drama Festival, it got nothing; in 1997 it got \$35,000 to cover 1996 and 1997; and in 1998 when it travelled to Guyana at great expense, it lost its sponsor, the Methanol Company, which has been "foreignized" and so far it has got nothing. It has gone to Guyana, and it is not like Wendy Fitzwilliam and Ato Boldon, but it made the front pages. The Trinidad representation at the drama festival stunned the Guyanese audiences and copped many of the prizes and did a great honour to the country. I hope that the relevant Minister will give an undertaking that the Secondary Schools Drama Association will be granted its subvention and that this subvention would continue, all things being equal, in perpetuity.

Still on culture, I have to complain that several years ago we made a big to-do about the Biswas House. It took about two years to purchase it. I had to write faxes and notes and made numerous telephone calls to the Minister of Finance who very kindly facilitated me. It is not that he had to make a decision. The decision was made, but it took over two years to purchase this house. Now the house has been purchased. I had a whole group of citizens, architects, painters, artists and teachers who were willing to work as friends of Mr. Biswas, and I do not know what is going on with this house. Is it being left to be vandalised?

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Every now and then, Sen. Daphne Phillips asks me if the man who is in charge of the museum has contacted me. For what is he contacting me? If she has instructed him to contact me, he should contact me. If she has not instructed him to contact me, why is she asking me if he contacted me? Do I have to telephone him and say, “Aye, you ent’ contact me”? I would like to know that having spent this money the Government is trying to do something about this house, and there has been no indication in the newspapers, on the radio or television that any action is being taken on this. Maybe the man in the museum will contact the newspapers tomorrow.

Mr. President, I really have to express my disappointment. I think some Ministers will get cattle boil. We sat here in the Senate and heard that Mr. Le Veau and the theatre group were being granted the old fire station. The Government got many kudos and mileage out of this, the people set about trying to do it and now I hear it has been taken back and no alternative sites have been offered. No one has explained why all of a sudden the thing has been taken away.

I have a note that appeared on my e-mail which says:

“At the corner of Sackville Street and St. Vincent Street where the Attorney General's new office is being built is a small very old Spanish building in a bad state of repair which the historical society has tried to save.

Some say it was once occupied by the cabildo, but there is some controversy. Whether it is the cabildo building or not, it is an architectural gem from the Spanish past.

I have to tell you, Sir, that it is now being used by the men building the Attorney General’s office as an office, changing room and eating room. They are driving nails into the walls to hang up clothes and treating it like an old storeroom.”

I just wanted to read that into this Senate. I do not know whom to tell, so I am just telling everybody and I hope that some action will be taken. I do not know how Prof. Kenny forgot to mention Nelson Island. One day Nelson Island will just sink. We talk and people nod and say yes, then nothing is being done, especially when it comes to culture. *[Desk thumping]*

My next point has to do with contrasting images of agriculture and tourism. Again, I cannot spend too much time on it. I am very glad to read in the budget presentation that the Minister is going to do a lot to encourage agriculture and that

he recognizes it as an important part of the economy. I would like to add to his arguments, which are very export-driven, that many of us think of agriculture as a guarantee of the food supply, as food security. Many of us think of agriculture as something which binds us to the land. Many of us think of agriculture as something which signifies a certain way of life, living in communities, and in addition to the economic advantages, he may need to encourage agriculture.

I want to let him know that many of us set store by the development of agriculture because we wish to hang on to certain ways of living that are signified by agriculture. I really wish that some way could be found to tie the incentives and concessions that are being granted, as Prof. Spence suggested, to production. I have seen it happen too often that men buy Datsun vans, tractors and trucks and all sorts of equipment because Government is supporting agriculture, and they are not producing a thing.

If somebody wants to get a concession to buy a Datsun van, if it is a new farm, he stands a chance because somebody has lent him money for the farm, but any existing farms or farmers have to show me over the last three years that they have a viable enterprise going, they are putting money into it, they are just about breaking even, and this van or tractor is going to help them increase production. I really have to be convinced that the concession is tied to production or it will just be a waste of money, just like the ADB, to give concessions and loans to people at low interest when they are taking the money and doing all sorts of things with it and just crying bust.

Of course, if they are going to do that to agriculture, they have to do it to tourism as well. They cannot just let men come with tourism projects and give them money to buy knives and forks, china and all sorts of fancy things for hotels and they are not producing tourists. When they catch a tourist—I have already said it cannot be done—if the Government is investing so heavily in tourism—dig a hole and plant him and see if more tourists will grow! I feel that the heavy concessions that are being given to tourism projects have to be looked at very carefully in view of the uncertainty of this commodity called tourists.

Mr. President, I have looked everywhere for statistics. I have looked to see if I could find out how much money the Government has spent on advertising tourism, on inviting tourism, going overseas to look for tourists. How much have they foregone in encouraging tourism and how much have we actually got back from tourism? I believe that if we got the statistics, this thing would be losing more money than Caroni. I feel some accounting has to be done with the tourism thrust.

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The minister was not present when I suggested it, but through you, Mr. President, I was suggesting that one way in which the Government can start getting some money from tourism is to pass a law that the legal tender in this country is the Trinidad and Tobago dollar and that at ports of entry, the tourists deposit their US dollars and get a receipt. When they are leaving, they get what they did not spend, and that money goes to the Government of Trinidad and Tobago; not to the hotels, the taxi drivers, or the commercial banks. It goes to the Central Bank and the Government of Trinidad and Tobago because it is my money they are using to advertise tourism, and I want them to get back some US money for my money.

Mr. President, on agriculture, I need to say a few words about Caroni. The Minister, in his oriental way, has called it an enigma. I do not find that Caroni is an enigma. I have discussed Caroni with a number of people involved and nearly slipped into the banality of calling them players. They are people involved with Caroni. What I have been told is that Caroni is an agricultural company in a country whose wages are conditioned by oil and gas wages, therefore, there is always a jockeying in there to try to get the Caroni wages to come up to the oil and gas wages, and people feel discontented; they cannot accept. It seems to me that some kind of subsidization has to take place.

Some years ago when the late capitalist, Mr. George Weekes, came and asked for 240 per cent for oil workers and sugar workers were looking for 20 per cent, I wanted to know what was going on. Was there some authority in the country which could say to the oil workers, "Listen, it is true that oil is very prosperous and you might feel you need a share, but you are a worker and there are other workers, and other workers need to share in this wealth. Sugar is not making as much money as oil. We have a wages policy that some of the money that oil is making will go to sugar".

I do not know if some way could be found to regularize wages by allowing industries that can lead to high wages to support industries that produce low wages. That is one of the problems of Caroni and Caroni workers, and I am told by people who are in it that this company is caught in a dichotomy. I do not use words like dichotomy, but I am quoting:

This is a company whose major costs are determined not by itself. They are told by the interministerial committee what wages to pay, and its major raw material price is fixed by the Minister. With respect to revenue, they are told how much to sell their sugar for. They cannot do a cost plus formula.

So, although it is a company, it is not an autonomous company.

Mr. President: Hon. Senator, I need the source and the date of the quote.

Sen. Prof. K. Ramchand: It is an oral communication, Sir, from a former Chairman of Caroni (1975) Limited. Is that okay? *[Laughter]*

Mr. President: I do not follow that one. An oral communication? Is it not a document you are quoting from?

Sen. Prof. K. Ramchand: I am just dramatizing him. He told me that. *[Laughter]* Mr. President, when cement was controlled in the way sugar was controlled, cement was in trouble. As soon as they let cement do its own thing, it became one of the most profitable companies.

5.35 p.m.

Mr. President, Caroni (1975) Limited is a company on whose backs many other companies ride. If one wants to work out the value of Caroni (1975) Limited, think about the value of Fernandes, Angostura and Bacardi. They are getting the molasses. They are buying the molasses. They are making rum. They are making profits out of Caroni (1975) Limited. Caroni (1975) Limited produces a lovely rum—White Magic is very nice; Old Cask is a lovely rum. Now they have a very small distillery; I do not know why somebody has not thought of expanding that distillery. We have so many smart men in Trinidad and Tobago, you mean, we cannot find a way to make the other fellas pay a lot more for the molasses than Caroni (1975) Limited? Caroni (1975) Limited cannot find a way to give itself an advantage in the production of rum?

So, one starts to say that Caroni (1975) Limited makes the pot boil down, one has to think of other companies which benefit from the things that Caroni (1975) Limited produces. It is the downstream people who are making the money off Caroni (1975) Limited and the company is not downstreaming enough itself. I do not think it is prevented from doing so, but the economy is benefiting from Caroni (1975) Limited to the extent that the rum companies are benefiting and now foreign ones like Bacardi are benefiting.

Mr. President, I am told that many of the skills in rice farming have come out of Caroni (1975) Limited.

I am told that the Point Lisas Industrial Complex is on Caroni (1975) Limited's land and for that the company got a few shares. If Caroni (1975) Limited had been

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allowed to negotiate with the Point Lisas people about how much they would pay for the land and how many shares they would get, Caroni (1975) Limited would be in a much better position today.

Similarly, 1,000 acres of land prepared for cane goes to Farm Land. The Government sells it to farm land. Caroni (1975) Limited does not have to negotiate that deal. If Caroni (1975) Limited as a company is going to be called to account for, "Hey, you are not making profits", well if Caroni (1975) Limited land is going to be sold, let Caroni (1975) Limited negotiate with Farm Land.

So, I think that Caroni (1975) Limited is not an enigma. I do not think that Caroni (1975) Limited is running a loss for the country, if one considers all the other circumstances under which it operates and the way in which other units benefit from it, not forgetting the amount of employment and the kind of life that it sustains around it.

I want to come now to the main part of my presentation. One was thrilled by the Minister's lyrics in 1996, when he sang about a country where everyone who is able to work can find meaningful and rewarding work; a country where there is social and economic equity; a country built on national unity with an economy that can generate growth with equity for all the partners and create employment opportunities that will enable our people to believe in themselves and to have faith in their future. So the boy could "ramajay", Mr. President. It is not even extempo like the Prime Minister. One was thrilled and one gave a suggestive "perhaps". An elephant may not be able to pass through the eye of a needle, but who can tell what realms a clear sighted former businessman with an aroused social conscience may enter, that was the "perhaps" that I gave to the hon. Minister on that occasion.

Mr. President, the single mothers did not get what they were promised. And men are deceivers ever, which is why there are so many single mothers in the first place. *[Laughter]* But, Minister Kuei Tung speaks with the same tongue in 1998. Looking at his record on the whole, I see no reason not to take him at his word. The 1998 budget reaches out commendably to old-age pensioners. It addresses national insurance pension anomalies and it pays attention to several other disadvantaged or needy groups as recognized by Sen. Diana Mahabir-Wyatt in her contribution.

But, we could see in the Minister's presentation the existence of two discourses. The first is a social discourse whose vocabulary includes words and phrases like: meaningful security for a large proportion of the population; the aged

and the poor; the nation's youth; senior citizens; affordable shelter for all citizens. So that is the vocabulary of the first discourse and it suggests, "I am very interested in social welfare".

The second discourse is an economic discourse whose terms include: global economy; modern industrialized economy; investment; financial management; enterprise and entrepreneurship; investor; investment partner; foreign direct investment; unprecedented levels of investment; investor friendly jurisdiction; speed and aggressiveness; financial industrial giants; mega companies; financial flows; reputable financial institutions and organizations.

This economic discourse exists, at the start, side by side with the social welfare one. Sometimes they are yoked together by the Minister's rhetoric. One hears about social and economic infrastructure, human capital, but in the latter part of the statement, the economic discourse wins. It becomes rampant. After page 3 it is almost monolithic. It can even cast itself dramatically as beleaguered but brave, a vainglorious David taking on the giants: And here it is on page 6:

"Mr. Speaker, several of these financial and industrial giants have had a longstanding presence in this country, and as such, any change in their international policy could directly impact our economy. We must be prepared to redefine the ways in which we conduct business with these mega companies, and we must respond quickly to this emerging trend and move to seize the inevitable new opportunities which result from globalization."

This is bravado, one that conceals the danger that all of us are in and all economies are in with what is going on globally.

The Minister's attempt to reconcile the two discourses in his statement is commendable and I believe that he wants to reconcile them, but as the budget statement proceeds, it is clear that he is not succeeding. It is possible that the Minister's consciousness of the global situation and the apprehensiveness implicit in his phrase, "competing in a very uncertain global economy", have led him to determine either that the social projects can only be undertaken after the economic ones have been completed and made fast, that you do your social welfare after you have had your economic success; or he has thrown up the sponge and said, "no, they cannot be reconciled".

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Now, there is a very stark statement on this very point in the *Guardian* of October 21, 1998, where Dr. Bhoewarrie writes as follows:

"Everyone knows that the price of globalisation is competitiveness and that once the global roller coaster rushes forward, some will move ahead and most will be left behind. It is a winners and losers system.

The sustainable development approach takes people, culture, society and ecology into account and is a whole system approach. It is an inclusive system which considers the present as well as future generations and their needs.

It seems to me that globalisation and sustainable development are fundamentally incompatible concepts and institutions such as the IMF and the World Bank lack clarity on a conceptual level because they fail to acknowledge the contradiction."

Mr. President, I do not believe that the two discourses are irreconcilable. I do not think that Minister Kuei Tung believes that these two discourses are irreconcilable, neither does Sen. Marshall. I think this is one of the important things in Sen. Marshall's contribution. It is saying that the two discourses are not incompatible. Far from saying that the driver cannot drive, Sen. Marshall, like Sen. St. Cyr, has been trying to show the Minister and the rest of us the road.

Mr. President, Sen. Marshall's contribution and I have to quote from him:

"helps us to put the welfare side of the budget into meaningful and possibly liberating perspective." He sees "growth to be not simple economic growth, but growth with equity". He sees "development to be whole development". And he spoke of "the imperative to prioritize projects that bring us the greatest social returns to develop infrastructure projects that may be causal factors that enhance our development". He makes his meaning clear, he makes it clear that he wants to see some of the social welfare projects as macro economic drivers by quoting from the Singapore Model. He says about the Singapore people:

"They perceive that in order for an economy to grow as a whole, not only must it cater for those who can survive in the competitive environment, but by producing the equity and by providing greater capital ownership to those less fortunate, that in turn empowered them to be an important aspect of the overall development of that economy. The challenge that we face as a nation is how can we address both, and in parallel form, the challenges of economic growth and the challenges of growth in social equity".

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So Sen. Philip Marshall does not believe with Dr. Tewarie that the two discourses are incompatible.

There are two key words that we have to think about. Growth and poverty. If one thinks of growth simply and strictly as economic growth, then one may be in some kind of trouble. But poverty cannot be defined simply as economic poverty. Poverty is impoverishment of life. I want to quote a definition of poverty, which helps us to see what lies behind Sen. Marshall's intervention.

5.50 p.m.

This is from a book entitled *The Critical Tradition of Caribbean Political Economy* edited by Kari Levitt and Michael Witter and it is an article by Gerald Meier called *Why Does Poverty Exist*. He says:

“Perhaps the broadest interpretation of poverty is offered by Amartya Sen (1983) who considers poverty in terms of an individual’s lack of entitlements and absence of capabilities. Ultimately, the process of development has to be concerned with what people can or cannot do—whether or not they can live long, escape avoidable illnesses, be well-nourished, be literate and so forth. From this perspective the real problem in less developed countries (LDCs) is reduced lives, rather than low income as such...As Sen recalls, it has to do...with ‘replacing the domination of circumstances and chance over individuals by the domination of individuals over chance and circumstances’.”

This definition of poverty is attached to a definition of growth.

In the discussion of growth the writer of the article says that you have to face the paradox that you can have growth and still have increasing poverty and when you are thinking about growth you have to think about the beneficiaries of growth. A society as a whole may register growth but there may only be a small sector of the society who may be the beneficiaries of growth. Growth is a very dodgy term and we should think about patterns of growth. The pattern of growth must be devoted to improving those human capabilities that allow individuals to live in ways we have reason to value. Public policy must help accomplish this, for markets alone will not guarantee the health, education, social equality and freedom that we value.

What I am trying to suggest, Mr. President, is that if we conceive of growth and poverty in those broader terms, then we are creating a context in which

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education—which has to do with removing people from reduced lives and the development of capabilities and capacities—and the provision of education are now very much important parts of the economic making of the society. Education must not be something that we just give to people, it is a vital part of the economic system.

To push it further in terms that the Minister may approve, education can produce things that you can export as well. We have all heard about the brain drain, but education helps people to become productive and, therefore, when you educate you are not doing a favour, you are contributing to the strength of the economy. Education, in this light, is a macro economic fundamental.

Now, Mr. President, I have to come to the Minister's revolution in education and make some comments on that. The hon. Minister has spoken in this document about abolishing the Common Entrance Examination and about early childhood care and education, the national energy skills centre, the distance learning programme and the national training agency. Earlier the Minister asked Sen. Prof. Spence about distance learning. I would like to say a few words about distance learning although Sen. Prof. Spence's answer is very satisfactory.

Distance learning, in a country like ours, has to do with our accessing information and learning from other countries. I do not understand why my university wants to invest in distance learning. Why should it want to set up distance learning programmes which will allow two fellas in Icacos to sit among the mosquitoes and take a degree? If we want to expand university education in Trinidad and Tobago we should put a university centre in San Fernando. The distance education is such an expensive luxury in a small area that I really do not know why people in countries like ours think that they have to do it.

If we decided on a campaign to educate Jamaicans we might set up distance learning but fellas in Icacos, Fullerton and Matelot do not want distance learning. Let them take maxi-taxis and go to the university. Learning takes place in a learning environment where students and teachers meet face to face, discuss things and interrogate one another and create a learning community. Distance education is a supplement to the educational process. It cannot be a substitute for the main educational thrust. No matter how interactive and technological you get, you can never create an interactive substitute through the machine for the face to face contact in the classroom. You may be getting rid of the blackboard and chalk but you cannot get rid of the learning community, and every time you do that you are weakening education. Distance learning is not the answer, it is not the main part of the educational process. It is a supplement to the educational system.

I think what the Minister means by the use of computers is now perfectly clear. It has been clarified and I am glad for that. It is a very important device but I have to also say that one can be computer literate and still not be educated. One can surf the net very well and not be educated. There is no substitute for the hard drudgery of reading twice and abstracting and learning. Learning is a very difficult thing. You cannot learn by looking at the screen and swallowing; you learn bad things that way. Anything that is worth learning you have to repeat and memorize and drill yourself to learn. I do not know that there is any other substitute for learning.

The Internet is not going to make educated people, it is going to open up educational possibilities. When we say we want a computer in every school, I will be quite happy that children in primary schools know what a computer is and they can get certain kinds of information from it. I would not even teach classes about computers in primary. I would just let them know it is there and they can use it. If they know it is there and they are given a shot, they will find their way on it. We just want to get them accustomed and familiar with the computer. When they go to secondary school and university they will do more. But the computer is not a substitute for learning, it is an aid to learning.

Mr. President, the Minister speaks about deshifting and what I have to say about that will come out in the next few minutes because I think that the deshifting in the schools will be a major move in improving the education of this country. There are about 14,000 children who go to these double shift schools or three-year schools and educationally they come to naught. Deshifting is related to the junior secondary schools. We have to get rid of this notion of junior secondary or three-year schools. We have to reconstruct the secondary school system not by simply deshifting but by getting rid of the junior secondary schools.

The Minister speaks about the secondary education modernization programme. This programme is a joint venture.

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

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

Question put and agreed to.

Sen. Prof. K. Ramchand: Thank you, Mr. President and Senators.

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Mr. President, I have the secondary education modernization programme final report and I want to look very quickly at a section called critical curriculum problems and to identify items in there which point to the fact that we do not simply have a problem of expanding the secondary schools.

It is well known that we do not have enough secondary places, and that is one of the things that this thrust for the modernization of the secondary school system is trying to carry out. It says that the secondary education programme does not provide access for all children who complete the primary education programme. That is well known. It does not provide equity for all students within the programme. It does not have the quality necessary for preparing young people for success in the 21st Century. It says that by the year 2000 the Government is hoping that 85 per cent of the people who need secondary school places will get. So it is very concerned with access but it is also concerned with curriculum. That is to say what these children will learn, what kind of examinations they will take and so forth. It is a pretty comprehensive document about the expansion and modernization of the secondary school system.

But in section 1:11 it says something very interesting. It says that literacy and numeracy skills limit the success of, at least, one-third of the children entering secondary schools. One-third of the children entering secondary schools at the present time have problems coping with the secondary school curriculum because they do not have adequate literacy and numeracy skills.

It goes on to say that double shift junior secondary schools receive a large percentage of disadvantaged children who often score lower in the Common Entrance Examination and especially in the English and mathematics components of the test. What this document tells us is that although we are planning to expand and modernize the secondary school system—and, yes, we have to do it—we are leaning on a rotten post, that the foundation and base of the system is the primary school and that we have a tremendous amount of work to do in the primary school.

6.05 p.m.

Mr. President, some years ago when I did an address to TTUTA and nobody reported it in the newspapers, I reported it myself. I wrote a letter to my friend CC talking about what I said and what I said then bore upon primary education. This is a report purporting to be by somebody:

“On the subject of the role of teachers, quotations were read from an article in a Barbadian magazine lamenting the wretched condition of teachers and schools at the primary level, a situation all the more deplorable because of the fundamental role of the primary school teacher:...”

The writer of the article from the journal, in 1933 said that to the primary school teacher:

“...has been committed the privilege of building the bases of our educational and political structure.’

The article...went on to say that the elementary school ‘will continue to be the cornerstone of our political structure’ since its graduates will form the majority in the society. It is necessary to take care of the elementary schools because there can be ‘nothing more futile and absurd than to entrust to an uneducated proletariat power to govern itself’.”

The writer of the article was a man called Errol Pilgrim from St. Vincent, writing in 1933 and he ended by emphasizing the connection between politics, education and culture:

“There is nothing more real than our environment. And forasmuch as Education is the training of the intelligence to cope with our environment, there is nothing more real than education.”

The whole crisis that he was talking about is a massive population of children who were not getting elementary education and a proper elementary education. That was in 1933 and the same thing is happening in 1998 so we have a drastic problem on our hands.

Now, if the primary schools are looked at and the children who are there are thought of, most of our children have a background of poverty; most of our children do not have access to proper health care; most of our children are living in environments where there is a great deal of crime. The primary school has to be conceived of as a place that is going to counteract some of the effects of poverty; some of the effects of the lack of health care; some of the effects of crime. The primary school is the place where we inculcate values in the young child; it is the place where they are given the psychic sustainment and the possibility of emotional health which we may not have in some of the homes from which our children come; the primary school is the base for personhood and further education.

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Between 1986 and 1998, I have been arguing in newspaper column after newspaper column that the whole educational system needs to be revamped and it has to start at the very bottom with the primary schools. If we begin with the primary schools and take it long-term, we will be creating a new society, one that will make use of all the capabilities and capacities of our people.

We will have to think of a new syllabus and a new curriculum; we would have to look at the society and say this curriculum that has come from England does not work. Our curriculum will look at the problems of gender. Gender education has to enter the new primary school curriculum. We will have to look at the various ethnicities in our country and say, “Well, our educational systems and our curriculum will have to teach the children about ethnicity and culture and teach them respect for their ethnicities and other cultures. We will have to introduce new subjects and new technology.

Mr. President, there is so much money. I am very grateful to the Minister for increasing the vote for education. It is good to know that so much money is being spent on education but, unless we begin at the very bottom and put our money in developing a primary school that takes the place, in many cases, of the home, if we do not do that we will be spinning top in mud.

In the few minutes I have left, I want to read from an article titled “Beginning with the young” in which I talked about the primary schools—this was in 1997.

“Although many changes are taking place in our notion of home and in our attitude to family, no one is about to propose that we should give up on these institutions. We can’t just turn to the primary schools and ask them to supply child-care and love in addition to what they already attempt to provide in the name of education.

But widespread poverty and changing patterns of social life have to be recognised as factors when the education of the young is being planned. That is why Early Childhood Care and Education (ECCE) is given prominence in the Report of the National Task Force on Education, and that is why the 1997 Budget Statement includes ECCE Centres in its projections.

By ECCE I don’t mean those schools that take your money and take in your three and four year olds in order to give them a head-start in the Common Entrance stakes...

Early childhood care (ECCE) is concerned with children five years and under, children who are not of school age. If all parents were loving, and if

they had the right amount of money, a proper home, cultural literacy, and a reasonable education, ECCE would be the natural responsibility and result of home and family life.

Early Childhood Care and Education is the basis of character and personality formation, and the foundation for all learning. If you wait too long you have more problems of crime, violence, maladjustment, and mental sickness than you can handle. If you wait too long you might find it difficult to create a society with manners or beliefs...

Don't put me in charge

Don't put me in charge of education because if you do I will reconstruct the whole system from the bottom up. I would not get foreign consultants to design my primary schools. I would not let any lending agency tell me when to build and where to build. No schools would be built or designed before we had a clear understanding of the nature of the communities the schools would be serving.

In the first place the primary schools will be built in such a way, we would use space in such a way, that they can provide for the young and caring, loving and relaxing environment that would help them to be healthier freer people. In this kind of school the usual basic education will be supplied but the method of delivery will be much more interactive, spontaneous, innovative, and indirect.

Good habits in health and nutrition, agriculture and environmental awareness as well as sport would be developed in association with parents. The school's strong point would be that it would expose the pupils to all kinds of self-expression and craft, and it would encourage them and provide them with the materials and the facilities to express themselves and develop their own skills and crafts."

Mr. President: One more minute, Sir.

Sen. Prof. K. Ramchand: Mr. President, we really have to think of a total change in the educational system and much money has to be spent on the primary schools.

In the National Task Force, I brought to the task force a group of people working in the theatre to show the integrated approach to learning that may be necessary in these schools. The actors began ostensibly with disaster awareness, a dramatized skit of a man and a woman talking about an impending hurricane and,

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in the course of that skit, the children got a chance to understand the difference between dialect and standard English; they learnt geography and meteorology; they learnt chemistry; they learnt about gender attitude because the man was always laughing whenever the woman said, "Thomas, you better patch up them windows because the hurricane coming." "All yuh woman always thing."

We taught 12 subjects through that little piece of theatre in education and the members of the task force were like the children in the school. They were the ones who asked questions which indicated that 12 subjects were being taught to them while this demonstration was taking place.

Mr. President, I thank you very much for your patience. I am just closing by saying we do have to do something about our primary schools but, it is not only a matter of access and buildings, it is a matter of new methods of delivery of an integrated syllabus. [*Desk thumping*]

PROCEDURAL MOTION

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, on a procedural motion and in accordance with Standing Order 9(8), I beg to move that the Senate do continue to sit until the matter before it is finalized and completed, namely, an Act to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 1999.

Question put and agreed to.

APPROPRIATION BILL (BUDGET)

Sen. Joan Yuille-Williams: Mr. President, thank you for the opportunity to enter this debate. The later it gets, apparently the less I have to say because so many people have done such a good job in their contributions.

Let me just say at the very beginning that as a former Minister myself, I always felt that the Government had a responsibility to the nation to let it know what it actually intended to do. In fact, when the Minister presented his budget and gave the outline, sometimes it is so nice to know what the details are and I think he leaves it for the others to give some details. Unfortunately, up to this time, there are still some that we have not heard. However, we will take their places and probably go through what we think they might have been expecting to tell us later on.

Before I look at the budget itself, I would like to be permitted to look at a reported speech that I have here which was delivered at the Trinidad Hilton last

week. I want to do so even after hearing Sen. Daly who made certain comments which fit into this. I did not have to bring this but it was here. I also sat here and heard the Minister of Planning and Development stating some things he had heard at that lecture; I think Sen. Rev. Gray-Burke referred to something from the lecture; the Prime Minister also referred to it. So, I went and looked for the lecture to see why all these people were referring to it. I was also there.

This afternoon, what I would really like to say is—and I know that Sen. Prof. Spence said when the Director of the Western Hemisphere Department of the International Monetary Fund who gave this lecture at the Central Bank, that the answers were not in the lecture and I could well agree with him. But, there are certain things that I would like to bring to the notice of this Senate, because I remember Minister Sudama saying that we could not escape the Asian crisis; we were not insulated and there was nothing we could do.

I am not saying whether he was right or wrong but there are certain things in that lecture that struck me about which I would like us to take note. It came from the section and I quote: “What are some of the lessons from the recent crisis”. Because it is so late, I would only look at one section. He was talking about the components for sustained high quality growth and he termed these “second generation reforms”.

Mr. President, if I could be permitted to look at one section of it. He talked about:

“...the crisis brought to the top of the economic agenda issues of transparency, governance, and economic equity.”

6.20 p.m.

Mr. President, when he talked about governance, he said:

“For us governance is much more than the presence of democratic institutions and rule of law. It also encompasses issues such as improving the efficiency and accountability of the public sector, tackling corruption, fiscal decentralization and the establishment of an efficient, productive relationship between the public and private sectors.”

He went on to say that:

“...poor governance could be associated with a loss of revenue because of favoritism or poor tax administration, which undermines efforts to promote a

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culture of tax compliance. Moreover, whenever the larger corporations and the well-connected do not pay their share, the burden falls on the salaried workers who are easier to pursue.

In general, poor governance invariably leads to an erosion of public confidence in government policies and usually leads to creeping de-legitimization of public institutions which sabotages economic efficiency.”

Mr. President, the second issue he looked at was that of transparency and yesterday, when Sen. Mahabir-Wyatt was talking, I remembered he said that:

“The lack of transparency in awarding contracts, and guarantees to favourite sectors and firms promote poor quality of public investment and a waste of government resources.”

I am reading this because we need to look at some of the issues that came up as a result of that crisis, some of which may sound very familiar to us.

Mr. President, the third issue he looked at was that of equity. He said:

“First, as a matter of social justice, all members of society should share in the benefits of economic growth and although there are problems in defining what constitutes a fair distribution of income, we accept the view that poverty in the midst of prosperity is not socially acceptable.”

I started to view the whole budget in the light of what had been said and, quickly coming to the end, I saw he noted that:

“As a fiscal policy matter, it has been demonstrated that well targeted expenditures on health and education are central to promoting equity over the long-term.”

I also looked to see what had been done in terms of health and education.

Mr. President, finally, I remembered Mr. Sudama talked about the tiger cat in a sea of pussy cats and Sen. Gray-Burke also made reference to that. When I heard Sen. Daly’s contribution I decided that I should read this part because people always criticize one government by saying, “You did not do it and we have now done it” and that it was not done before and whatever successes it has now is a result of what the Government is doing.

This Government has been in office for three years now and I heard the Prime Minister, himself, quoting this gentleman; and accepting the congratulations for the

work they have done and for what they have done to the country. That is why when I heard Sen. Daly, it struck me and I am going to read what was said:

“A recent article in the *New York Times* characterized the Trinidad and Tobago economy as the ‘tiger in a sea of pussy cats.’”

That is what they are saying all the time now. He said:

“I would not quite agree with the analogy, if only out of respect, though I certainly share the view that Trinidad and Tobago’s current economic performance has been very solid...”

I think this is what I heard the Government articulating since he said it but the article states:

“—the result of several years of painstaking reforms, and as noted...the true ownership of programs.”

I think one should be honest when one takes kudos for something. One should not just stand and say that in the three years what was done has provided this solid economic performance. He stated that:

“inter alia, a sharp reduction in the role of government in the economy...”

The reforms he referred to were:

“the liberalization of the trade and exchange regime...”

Did they do that in the three years?

“tax reform and some financial sector liberalization.”

I thought I needed to read the rest of the article because persons were just referring to parts of the article and not others, and I think that is a bit unfair as we move through.

The Government must recognize that it is being congratulated for carrying on this solid economic performance that it had not started with them and credit must be given where it is due. Copies of this speech are there for those who wish to see it. I saw a few Senators on the Government side seated at the lecture and I am quite sure they would understand now why I agreed wholeheartedly with Sen. Daly and I went straight back to the article.

Mr. President, I would make a few comments—I am using some of what is said here as a background to the budget—especially in the areas of health and

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education. When I looked at the budget and listened to the Minister of Finance's presentation, he said that he was only the messenger. I took him very seriously and for my own personal reasons, have decided not to speak to the messenger but to the Government.

Secondly, Mr. President, when I listened to Sen. Mark, whom I believe also articulated the message in terms of public administration, he talked about how highly motivated the public servants were. I told him I did not hear much of what he said, but I read his full contribution and he did say they were highly motivated.

As we look at the entire budget—being a past teacher for some time and working with public servants—sometimes what we say here seems to be criticizing the public servants and I trust that notion does not go through. We are at no time criticizing the public servants. What happens really is that the public servants are so pressured to get things done in a particular time so that the Government can look good, or seem to be delivering, that certain things do happen, frustration comes in very quickly, and there is a lack of motivation.

One of the things we have to look at is how we send signals to the public service. If there are any public servants in here as we talk this evening, I have no intention of saying anything against them. On the other hand, with this budget, when I read the *Hansard* from the Lower House and I called certain persons in ministries to ask them about certain things that were said in the Parliament, some public servants out there were telling me, “Your guess is as good as mine” and “We do not know what those things mean”. In some cases, I heard, “We have been called by particular Members of the Government asking us to pull something together or make a plan or programme for a policy they outlined.” They do not even understand the underlying philosophy.

When things like that are done in a hurry just to produce, or to say that they have delivered, I call that demotivating the public servants. So whatever the Minister of Public Administration would be doing we have to look at that because a lot of frustration comes in when people are asked questions or asked to deliver things at short notice about which they do not know. I believe it is because we are not very honest with ourselves as we come here. This is not necessarily public relations. We need more public relations when we bring a budget to the Parliament.

Therefore, we need to give everybody a chance to do his best. We need to bring people on board if we are talking in terms of public service reform, let them

know what is happening and articulate what we are doing so that they are all happy with what they have to do at the end of it all.

Mr. President, this budget, after it had been presented, the messenger gave it one title, somebody else gave it another, "The People's Budget" and apparently, the Government has accepted that title because I heard a number of its Members using that term. I think the messenger himself might be happy to hear it was a people's budget, but if this is a "people's budget", who are the people, what are the concerns of the people and how are these concerns addressed? Therefore, I decided to choose special groups of people to look at it.

The first group of people I chose, of course, is the group to which I belong and that is the group of women. Forty-nine per cent of the population belong to that particular group, therefore, it is a very important group in this country and I need to see how the Government addressed the issues concerning women.

Mr. President, governments organize their machinery in such a way that they have assigned particular portfolios to certain divisions. The portfolio that was dealing with this important group in the society, women, was named Women's Affairs for some time until it was changed, recently, to Gender Affairs.

6.30 p.m.

Mr. President, although I have seen or known other machinery called gender affairs, I do not know what was the particular reason for changing this one. However, I am clearly seeing that the name change did not help the Government to appreciate this very important sector. And if only because to remind people of this—because I still feel we have a long way to go and I would not have changed it.

Sometimes one needs to keep those names so people can focus on them. And, as long as one has the political will to carry it through, it will be respected. In the other place, I recall the leader of the Opposition's response to the budget where he enunciated something about women. He asked the question: Why did we not continue the plan of action? I want to talk a bit about that.

In September 1995, we were at the 4th World Conference in Beijing. The world conference sets a platform for women of the world for the next 10 years. Trinidad and Tobago had one of the largest delegations in the Caribbean at that world conference. We demitted office in November and one would have expected that work would have been done on the platform. It is important that those of us who are here would understand what was involved on the platform because women out there are concerned.

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Women and poverty was one of the objectives; education and training of women; women and health; violence against women—Sen. Diana Mahabir-Wyatt talked about this yesterday, and that was not a brainwave of hers. It was one of the objectives of the platform that we were supposed to focus on—women and the economy; women in power and decision-making, institutional mechanisms for the advancement of women; human rights of women; women and the media, women and the environment and the girl child.

Before we left for Beijing we had been working with the non-governmental organizations and those of us on this side salute the work that non-governmental organizations have done as far as the issues of women are concerned. Clearly, they have been very strong partners and I hope that the Government would do all it can to facilitate the ongoing work. Whatever work has been done on the platform so far, has been done by non-governmental organizations. In 1994, we signed a final document for a grant for US \$400,000 from the IDB for the institutional strengthening of the women's division of our government. That would have given us the opportunity to bring on a number of consultants—and I need not go into all the areas of the consultancy—to strengthen this mechanism; \$400,000 from the United States government, \$100,000 from Trinidad and Tobago. This was supposed to last 30 months. In fact, it was supposed to have ended in 1997. However, this is 1998 and the project has not yet been completed.

There are very important areas still to be completed. I think the gender training and sensitization is in progress. The consultancy to strengthen the outreach and co-ordination of NGOs, private sector and community groups is still to be done. But, I am sad to relate that at this time I have been informed that the IDB has withdrawn the consultancy and has stopped funding the project. This is one of the projects on the platform. We got into it before. We boasted in Beijing and here we have not been able to use all the money and we have also been told—and I should say this—when this project was put together we had to ensure the IDB that there were enough officers to take the message around the country. The ministry, as it was then structured consisted of community development officers, best village officers, culture officers, and if anyone understands gender issues one will understand why all the officers would be needed to go out into the communities. The final blow came about when the ministry was split. The IDB would have seen quite clearly that no officers were left there and, therefore, if I were them and had given this money, I would have done the same.

What is even worse, is that in strengthening a machinery, one strengthens the officers and, therefore one would have hoped the officers who were there would have been able to carry on the work.

Mr. President, do you know that the director resigned? The deputy-director resigned and what hurt me most was that I recently heard that one of the better project officers left. So the whole thing has fallen apart and, therefore, we ask ourselves: What is happening, who is looking after the women of this country? One has got to have the political will because if one does not have it, things like this will happen. Let me tell you how it works.

When some people hear gender issues they say women's affairs. If one has the political will and understands what is happening when situations arise, there is someone there—you usually say how will this affect men, how will this affect women and you prioritize accordingly. Without that you are in serious trouble.

When decisions are being made by the Government, it must take into account women and men. If a certain decision is going to affect anyone adversely we should be able to put in support structures. What has happened? For example, everybody talks about that \$25 million for single women. If that was for a particular purpose—and from what it says, for education and readiness of women. The women are an important group. We know why we are doing it, because \$25 million as an initial outlay—and we are talking about the single women, mothers with families. If you had to prioritize; if you did not have enough money, and if you were thinking in terms of women's issues and gender issues, clearly, that would not have been the area you would cut.

I have heard it said that we are not going into deficit spending and if we did not have the money we could not do the programme. But, if you are conscious of what you are doing, that is not one of the areas to cut. Just as you could find money outside your budget to build an airport, if this was important and you understood it you would have found money from somewhere for that. That is why I am saying the Government's focus and emphasis is wrong. We have to look at it very closely.

We have heard about drop-in centres around the country. I have heard they were struggling to get off but with the division of the ministry those centres will certainly suffer.

I have read the Minister of Social Development's programme—and this year he is putting in a programme called community mothers' project. I called the ministry and asked several people there what is community mothers' project. They

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told me they did not know. Community mothers' project has gone under social development. Because of the word, "community" it went there. Why did they not therefore bring that programme that they failed to implement last year, instead of coming with a new one called community mothers' project which nobody knows about? Here is where the frustration is now. Members of the ministry are now saying they have to think up how they are going to devise a community mothers project that will work and, therefore, it seems to be just a matter of names. But this did not start recently. This started from the very beginning.

Those of us would remember there is a house called Mille Fleur around the Savannah. It is still there. There was a sign put onto it called Beijing House. Do you know why we had that Beijing House and gave it that name? It was to focus attention on women. Before we went to Beijing, all the NGOs together with members of the government used to gather there to work and plan programmes; people from outside came to Trinidad and Tobago and visited there. When we went away we boasted about how we were given a place and people were so happy. When the Commonwealth women came here for their conference, we were so ashamed because they asked us about it—the first thing this Government did when they came into office was to close down the house and, therefore, the NGOs were all scattered around. They begged to have the house again. They were not given it. It was given to some other organization and nothing happened.

If the house was not strong enough or something, what was important, was that some place was given where the work could be carried on. The NGOs could do a lot to carry out the work. It started from the beginning.

But, I have a feeling that some people think that programmes which were put in place before they entered office belong to the PNM and it is a PNM's programme. Not everybody. When I go to other ministers, I want to see how wonderful he or she was able to take projects and do so much more with those projects. That bothers me a lot and I am really concerned about this. For example, the export centres programmes. I am looking at an example where women are involved.

6.40 p.m.

When the PNM came into office, there were industrial cottages around the country. I am sure Senators remember those. Some were operative; some were not. We did not say that the National Alliance for Reconstruction government put them there and we were closing them. Those that were not operative, we put in the systems necessary. We started an export centres project. Do Senators know what was the purpose of that project?

The Small Business Development Company Limited was given the management of this project. The ministry was given the responsibility for the participants. It was part of our safety net. The participants were heads of households—single mothers. Our vision was to put them in the centres managed by the SBDC: they would learn a skill, bring it up to export standard; we would send them back to their homes where they would continue to produce; bring the stuff to the export centre, which would in turn export the products. We would then get another set of persons as trainees and the process would go round and round.

The Export Centres Project is still going. There is an outlet on Frederick Street called Natural Pleasures. It is in the mall somewhere. They have been exporting throughout the Caribbean and Europe, and I think that they are going on the Russian and Japanese markets. They are doing well. They have a high standard. Where the project has failed in its vision is that the participants are not the heads of households. The Ministry of Gender Affairs no longer controls the selection of participants and we do not get that group of persons on which we should be focusing.

Things are going on and people are doing excellent work. It is just that the focus is not on heads of households. That is because one cannot abdicate everything. Small business is doing the management, bringing the staff and buying the machines, but the important part, the participant, women who are heads of households, are absent. If that had worked today, we would have been so proud because they are not staying there; they are going back to cottage industries and we would have been taking care of the people. As long as we do not understand the importance of gender issues, as long as we lose our focus, we are in for trouble.

How could the Government have allocated \$100,000 to that division for expenses? Nothing can be done with that for 49 per cent of the population. The sum of \$30,000 was allocated for printing, promotion and publicity. That is clearly inadequate. Again, if one does not have the political will to show people, if one does not move with it, if one does not let people know the importance of what is happening, this will happen. This is what has happened now.

I am sad about it. I will say why. As a Minister, I was a member of—the Commission on the Status of Women. At CIM, we worked hard on the Beijing document. We worked hard on everything that concerned women. That gave us strength to go on. We were like a family.

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We have a candidate here for CIM president—and I want to extend my sincerest congratulations and hope for her success. How could that person go to any part of the world and let people know she does not have a government that has its focus on the gender issues? How could she be the president of an organization and tell people that she is getting that amount of money with which she cannot do the plan of action which all the countries are doing? As President, she would have to go around Latin America and the Caribbean telling and encouraging persons to promote the problem, but in her own country this is not happening. I am not sharing blame. I am just pointing persons in a direction. We have to look at it. We have to see the focus and understand how important women's issues are.

Women's rights are human rights and we have to understand that. When Sen. Mahabir-Wyatt talked about violence—and I intended to speak on violence during my presentation, but I allowed it to go because I know that she had done quite a good job on talking about violence here. I hope that after tonight we get very serious about it because it is important. Do you know why we have problems with violence? One Ministry would send a note to Cabinet saying that they want to go on a conference about violence; another Ministry would send another note saying that they want to go. Cabinet would say that violence belongs down there. We cannot fight and squabble over those things.

I want to tell the Government tonight that women are people, too. If they are looking at a people's project, women should be given a very high priority and focus. Understand women's rights in this.

There is another important group in this society at which I would like to look, Mr. President—young people. I am not thinking about any particular ministry looking at the young people, because I have just looked through as much data as I can to see what is happening with the young people in terms of government.

One thing struck me. In terms of the speeches, at one time I saw something about St. Michael's Home, remand homes, halfway houses, drop-in centres, mediation centres. I heard all that and looked for the other side of the coin because here we have the buildings on one side. I asked where we were coming from opening all these homes. There must be another side to this. The emphasis could not only be on these homes. It must be somewhere else. When we did the Community Mediation Bill we spoke about that. What has the Government been doing on the other side?

I looked at it very carefully to see what was happening on the other side. When Sen. Theodore spoke I felt a bit relieved because he had picked up the Civilian Conservation Corps which he admitted was started in 1993, during the last regime. He said it was 25,000 strong. When we left it was not 25,000 strong. He saw the value in it for the youth and he worked the programme. We commend him for it. I am quite sure that they have done well. I hope that the next time he comes here he will tell us how much more. He has saved 25,000 young persons.

He also mentioned the neighbourhood watch group. That is another one which came under the safety net that we had started. It was not very strong. We had not started it just because we wanted people to protect the neighbourhood from the vagrants and burglars, but because we also wanted that community spirit that would help the people with the whole family. Long ago, people used to talk about neighbours helping one another. The neighbourhood watch group was not only for protecting against those outside. It was also a social gathering to help to bring up the young people.

I heard him say that there were a number of watch groups spread over Central Trinidad and that there were community development officers very interested. I know that the police have taken it up. West End had a strong group. I hope that still maintains, but I am quite sure that he understands the process. He understands how many young persons he can save that way, and he is proceeding with the neighbourhood watch group.

6.50 p.m.

On the other hand, we left the national service programme called GAPP, the Geriatric Adolescence Partnership Programme, about which I am going to talk. It brought the younger people together with the older people. When Sen. Mahabir-Wyatt spoke yesterday about the return to traditional values, that was an opportunity where we could have gotten both groups together because the traditional values came from the older heads. Some of our young people are such young parents that they themselves do not have the time to get the traditional values. So these young people were brought on and they learned about the elderly and how to work with them, talked with them, do certain things for them.

There was a nice nutritional programme, physical therapy programme, and nursing programme so if at any time their services were needed in the community, they would be able to help as well as appreciate the elderly. Most of those young people when they go to a home they tell you not how much they did for the

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elderly, because the elderly did not want them to do much, but they talked to them and encouraged them.

I would have loved to hear today that we had given \$10,000 for that national service programme, but nothing was done for the year. Last year it was very small numbers. I am saying do not worry about who started the programme, let us look at what it can do and push it on.

I have read in the *Hansard* where the Ministry of Social Development wants to open some day care centres. It states that they are going to employ some adults to work with the elderly and we have coming from the GAPP programme a number of young people out there who can, and, in fact have come to like work with the elderly. In fact, there are two young persons whom I know went abroad to study gerontology. Why are you now going to train elderly people to work with those elderly people and there is a nice group of young persons prepared to do the work? They were taught to do their banking for them and a lot of other useful things they are prepared to do for them. Why are you now going to get a programme of day care with some elderly people to look after them? We have a host of people out there who can be used.

A similar thing happened with the Civilian Conservation Corps where all those persons were trained. A number of them had gone into carpentry and artisan work and NHA has them building a house in Tarouba and paying them \$40.00 a day. These are graduates. I am just telling you what has happened to young people, they need the money, but you are exploiting. Therefore, why do you not take the graduates from the Geriatric Adolescence Partnership Programme and keep funding it. The way you move young people is by giving them some kind of mentor. Here we have all those nice old people at homes interested in the young people.

I saw home work centres coming through the Ministry of Social Development and they are going to hire the retired people in the community and allow them to teach children in their homes. In fact, right now the public servants are supposed to try to work out that programme. But we had left a programme called RAPP in the ministry and if I am not mistaken, I think I saw at some time where the Government had advertized for either participants or tutors for that programme. When I was there, we were going to start the first pilot of that programme in Union Park with students from the Marabella Junior Secondary. We had all the parents and we got all the students together and we knew what we were going to do. We were taking those retired people in the community to work, and not only

to work on homework, but academic work. We were going to use them to help with whatever the kids wanted to do. So this same programme with the junior secondary morning and afternoon shift, we would have been using the centres where the children would come during the day and they would set them into sports, academic work, cultural activities and these retired people would work with them there. When I saw homework centres, I asked, what is happening? Why are we not focusing and building up on programmes which were doing the same things and even better? There is need to look at that.

There is another programme called Save the Youth in Marginalized Constituencies. All a lot of name. All these programmes which we have had were for saving the youth. That is what the Ministry said is going to happen next year. When we do not see it we say broken promises, but it is because too many things are turning up and we are not focusing on what is happening. I am talking about this important group of people, the young people.

I am also looking at the young people as it relates to education. I heard someone talk about the revolution in education and Sen. Prof. Spence wondered if there was a revolution and I said, there is a revolution. It is the first time our children are being taught with text which are not correct. It is a revolution. Thousands of errors in a book. The problem is not only that the books have errors, the problem was—because I myself did editing of textbooks as part of that textbook review system, so I know what the system is like—they changed the direction of the system. Any time a system is changed, you get a backlash.

The system was disturbed entirely and at the last minute it was decided to give this publisher, whether friend or foe these books to print and there are all these errors. And there was a whole lot of talk about what you were going to do, that the publishers were going to be brought to justice and so forth. I am not even bothered about the publishers being brought to justice. I am saying you made a mistake which was never cleaned up and I have read the Minister's speech and he has not said one word about it. In fact, if he had to dump them they would have been dumped by now instead of going with errata sheets which do not work. Nobody cares and, therefore, when I talk about a revolutionary education, that is a revolution. Who cares about the young people out there whether they get the facts? Who cares? As long as the public relations went out that the texts are to be standardized, that was important. We standardized the texts in 1997 or 1998, regardless of the nature of the texts or how correct they were.

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I look forward to what the Minister was going to say in his speech. He talked about the La Brea Estate and Project Pride in his education speech and he did not have time to talk about this. These young people are suffering. They are reading text which are incorrect.

Some people make some irresponsible statements at all levels. One irresponsible statement that came through was that Common Entrance Examination would be removed in the year 2000. That is an irresponsible statement whether you like it or not. However, how do we change that? You cannot fail as a leader, so you got some professional people with credibility, and I have read the task force report on it and we said there is no way they could remove common entrance. So this task force got together and started to work and in all honesty did not say they are not removing it. They said they are going to introduce "SEE". They are moving from CEE to SEE and that is how Common Entrance Exam is to be removed, by removing the name. This is what the report says:

"The Task Force is emphatic that the SEE should not be used to mislead the public. A mere change in the examination is not what is being recommended. Indeed this would be a serious betrayal of the efforts of its members that the Ministry of Education which was heavily represented on the Task Force."

The Task Force said that the SEE is a device which is designed to assist parents, principals and teachers to find the programme for which the child is best suited.

It is said that the examination causes a lot of frustration and, therefore, they are going to use continuous assessment, but the professionals know that cannot happen in two years, but they had to produce a document, so they produced. They said they would remove the Common Entrance Exam "CEE" and put in a Secondary Entrance Examination "SEE". They said they used to do English, Maths, Creative Writing, Science and Social Studies. It is said that the Social Studies and Science would be dropped because it was a little difficult to evaluate or something like that and the new exam would now carry English, Math and Written Composition so it is a different exam, but it is still going to be a selective exam and I am not blaming them. It cannot be done any other way, so do not try to fool us. In fact, I would have been happy to hear at the beginning that people were moving towards the stage where they were about to try steps toward eliminating the examination.

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

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

Question put and agreed to.

Sen. J. Yuille-Williams: There is one other area which I would like to look at and that is the computers in schools. I know that the Government would put the computers in the schools because the pressure is on. What I ask is that they do not put a toy, and to do it we need to have a programme to go with it. An in-service literacy programme could be arranged for the teachers. Right now, go to the teachers college at Valsayn and Corinth and put some computers there right away so when they come out in June they would come out with a full programme to help the children in the schools. Do that right away and the problem would be solved.

When I read the Minister of Education's speech, he said it is time to jump on the educational train, but we on this side are not interested in joining the educational train with that Minister because that train is going to shut down at some point in time.

I did not have time to look at the school board which you want to put in there, but as one principal said it is nice to talk about school boards but I hope you understand the school boards which you intend to put in place. If you are putting the boards yourself and politicizing the whole thing, you could as well leave the school boards out because you are not going to get the success you want. One principal in the town committee meeting said, "please let us decide on whoever it is."

Let me, very quickly, ask one question about the NIS and the old age pension. In terms of the NIS whereas there was an increase in one area, Survivors Benefit is \$28.00 a week for the adult and I think we need to look at that because we are talking about poverty line. We are talking about \$28.00 per week for their spouse, and \$11.00 and some change for a child. If we are thinking in terms of levelling the playing field, clearly we cannot forget that.

7.05 p.m.

Mr. President, if we are also thinking about that playing field, we have to look at public assistance. With public assistance, the adults get \$171.15 per month, and a child, \$158.15 per month. If one has a family of four and upward, one gets \$632.00 per month, so one is just getting as much as old-age pensioners for one's family of four and upward. Although it is public assistance, I think it is time one

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looks at that area because, clearly, those figures were there some time ago and we needed to have improved on that kind of thing.

Let me move on to the last section about which I want to speak. I want to make this statement that “culture is the rhythm of the people”, but this Government is bent on silencing many of the cultural drums. This is important because I am sure that statement, “culture is the rhythm of the people” is very familiar. Let the drums play. Let me call some of the drums that I feel are being silenced. The drums of carnival are being silenced. How is the Government silencing the drums of carnival? Those drums are being silenced through the way the interest groups are treated when they come together: Pan Trinbago, TUCO and NCBA.

When this Government offered interest groups to run their own affairs and the groups accepted, I listened to the CEO and he said; “Well they have given us the money, we have given them the money, let us see what happens.” That very night I called someone and said: “ he is looking to see if they fail and he hopes they will fail.” Mr. President, if I were supposed to be responsible for them, they were not going to fail because I would have facilitated them. Their success would be my success. These were people who needed the assistance, but they were told to take taxpayers’ money, and the CEO and the NCC sat back to see what they would do. I am sure the Government must understand what I mean. It could not have been done without putting the support systems to go with it. I do not care what they say about the accounting not being good. I am saying that they are trying to silence that drum and they are silencing it all around.

I am saying that I cannot go to the Queen’s Park Savannah on carnival Sunday night and hear my drums beat and I cannot hear my calypsonians sing. The Government is trying to silence the drums and it had better stop it now because something has to be done, or else.

Last year I was not in the Parliament, I had a good time going around looking at carnivals. There were about 45 carnivals. I was trying to see how many I could see in the United States. Everybody put out a carnival like Trinidad and Tobago; everybody had a Dimanche Gras like Trinidad and Tobago; everybody had a panorama like Trinidad and Tobago, but Trinidad and Tobago decided that it was going to change and push this here and push that there. What are we doing? Mr. President, the carnivals are called Trinidad and Tobago-styled carnivals, but we destroy our carnival at this stage; no money. Right now we have NCC—
[*Interruption*] I am not even going so far. They did not even produce carnival but

they are owing persons \$2 million. They started to advertise the carnival and there was no money to do it. There is a whole lot more to be said about it, but I am saying, do not silence that cultural drum.

Mr. President, they should not silence the Best Village drums at all. There was no Best Village for this year. Why are they silencing the drums? What are they afraid of? If you feel that Best Village did not encompass everybody—most of those who did not take part in Best Village were told not to take part in it—now that you are here, widen the base, bring the people in. We want the Queen's Park Savannah filled corner to corner.

You say you are putting it out in the communities, you have people making programmes in the communities; they are around by me time and time again—programme expenditure. Forget that, the Best Village Programme has been going on for years this way. Some of our artistes have gained prominence through it. What needs to be done is to make sure that the Best Village Programme is really a best village that brings everybody to the fore and then to proceed from there. It should not be silenced. Up to this day we have not had Best Village for the year and last year it was a sham. I heard that they want to have a folk fair next month. People are saying that we do not know what we are doing, but we want to have a folk fair." We cannot do that to the people because culture is the soul of the people. People have been accustomed to this for years and they need to have it.

I am not saying that the Government should not do its thing. If the Government wants to bring in a national steel orchestra, whether I like it or not, it should go ahead and bring it, but do not bring it in borrowed clothes. Do not tell me that for the first performance everybody had to buy their own shirt, dress and tie; all they were given were blazers. Do not tell me that they had to borrow steel pans from Exodus Steel Orchestra for a national steel band. Do not tell me that they had to rent a panyard. If a national steelband had to be formed—and that is my desire, no one could blame me—it should be formed with some dignity. Do not tell me that a national steelband was presented with everything borrowed. They played for us out there in borrowed stuff and then NGC gave them some T-shirts. However, I am telling this Parliament today, we have lost that dignity. Our national steelband would go down in history as having to buy everything for themselves. Mr. President, let me tell you, those people chosen for the national steelband were supposed to be unemployed. I do not know why. If I like to play pan, whether I have a job or not and I want to play pan, I should be given the opportunity.

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With respect to travelling, we had persons coming from Point Fortin and San Fernando, they had to travel to Exodus panyard. They travelled on their own, 8.00 a.m to 4 p.m rigidly for the month, before they got a stipend and they know they were unemployed. I am saying if the Government is doing something, it should not be done for public relations only. I am saying that our artistes are people too. I want the artistes to be respected; whoever they are, they need to be respected.

Mr. President, we have a Sport and Culture Fund which is there to help sport and culture, but do you see how much trouble there is with that? Did you hear about what happened to that steelband that went to Malaysia? Did you hear they had no money? Do you know that no money was taken from the Sport and Culture Fund to give to anybody? We are full of money in the Sport and Culture Fund. No draw-downs were made from that fund. Two years it is in limbo because there is no board. People are suffering for money from that Sport and Culture Fund. How could that happen? Why does the Government not allow the people to get the money from the fund?

There is another project called SICLA. We have worked hard to get SICLA—that is a database set up in the ministry where all the cultural efforts could be put on the system, where all of Latin America and the Caribbean would know what is happening with our database. SICLA is there with somebody sitting watching it. Nothing is being done. The person just sits there. She is being paid to watch the computers. Mr. President, I am saying that we are sad.

The artistes are people too. We should respect our artistes. The PNM started building the East Port of Spain Cultural Complex by Despers panyard. It is the only one of its kind in the world. We should be proud of it. The building should be finished. They should not be cutting here and cutting there. The Government need not even say that the PNM started it. It should just be finished, so that it could be of benefit to the people.

We said we were going to have the Performing Arts Centre. Last year that centre was to be built, but this year money was put in the estimates for a feasibility study. I cannot understand how they were to build last year and this year they have put in for a feasibility study. Do you know what is worse, Mr. President? When we left office, we were at the point where the plans were going to the architects. So we are now going backward and forward, writing things in budget and not caring about what is said.

Mr. President, we are talking about a people's budget and I am saying the women are people, the youths are people, the elderly are people. Even though the Government said they gave the elderly \$100, there is a conflict with this \$100, Mr. President. If I was getting \$300 from NIS, since they have harmonized NIS and pension, and pension is now \$620.00—if I was getting \$130.00, I think, my \$130.00 and my \$520.00 would give me \$650.00, but now I am getting \$620.00—*[Interruption]* Well, you need to tell me that, so we could harmonize this thing properly, because the elderly are counting and saying that they are getting almost \$30.00 less because it is the same system. Let me say something, a large number of persons would no longer be getting old-age pension because their NIS would have jumped to \$1,055. If one was getting old-age pension at \$520 and now one's NIS has gone to \$1,055, the “messenger” would tell us at some point whether we would be getting the increased amount. I have looked at all those little things. I sat in the Parliament last week to hear what everybody was saying, but I got nothing then, so I am hoping that we are treated a little better now.

Mr. President, the elderly are people too, the artistes of this country are people too, the youths of this country are people too, the women of this country are people too. I also agree with my friend, that the physically challenged are people too. They are also asking for opportunities for training and teaching because they want to be absorbed in the mainstream. They want to work and to be given opportunities. They do not only want disability grants. They do not like that. They want to work and they want their work to be accepted. The young children want to be in the mainstream of schools, they are saying, “cater for us, we are people too”.

7.15 p.m.

Those women we spoke about who are subject to domestic violence are people too. Those customers who were standing in the line with the manager's cheque to pay for the used cars—and they were told as they were about to pay that it was too late—I want to remind this Government that they are people too. *[Desk thumping]* The citizens of Tobago who made the difference, and with whom now a difference is being made, they are people too. I want the citizens of Trinidad and Tobago who suffered greatly as a result of the many broken promises which this Government failed to implement, those projects which they constantly articulated over the years and for which, according to the Minister of Works and Transport, they will be judged; for all those projects which they did not implement and all the

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people who suffered the frustration, I want to tell them that those citizens are people too, and they must be addressed in the budget.

Thank you, Mr. President. [*Desk thumping*]

The Minister of Culture and Gender Affairs (Sen. Dr. The Hon. Daphne Phillips): Mr. President, I am very pleased for this opportunity to speak on this budget, firstly of course, to congratulate the Minister of Finance for his presentation of a budget which addresses the issues of so many groups of people, including the disabled. I want to make this point before Sen. Alfred leaves, because I see she is going to leave.

Yesterday, the issue of the disabled came up and the perception was, I do not remember the precise wording, that the disabled were not cared for and there was nothing provided for them. I do not know if Sen. Alfred is not aware, and if she is not, she can take the information to her people—there is a disability assistance grant for the disabled, and any applicant who is 40 years of age and over can apply. They must have a medical certificate stating that they are disabled and the size of this grant is equivalent to that of the old age pension. So, it would increase in this budget.

Sen. Alfred: Read my *Hansard*. I spoke about it.

Sen. Dr. The Hon. D. Phillips: In addition to that, it is a Government medical officer who must certify that the person cannot work. The various provisions for the physically disabled in this budget are, of course, there, as well as persons under 18 years can also apply.

Mr. President, the time is short and there are so many things to which I would like to respond, as well as there is an outline of what has been done in the Ministry that I would like to share with this Senate. Let me respond to some of the misinformation and the irresponsible statements which have been made in some places by some Senators before I go ahead.

In relation to the whole women's issue and gender issue, many people have been making statements about how much their commitment to women is unswerving. I want to make a few points about that. In relation to the institutional strengthening project that we met when we got into the Ministry, the trip to Beijing in 1995 was perhaps the greatest thing the last Government did. Indeed, several countries went to Beijing, so it was not only Trinidad and Tobago. In fact, all the countries in the world, more or less, went to Beijing.

The institutional strengthening project, the IDB loan, was available since 1994 and that is quite true, but when I got into the office, the person who was in charge of the Women's Affairs Division was a natural scientist by training. In fact, she was a zoologist; a teacher. One of the conditions for gaining and implementation of that IDB loan was that there were to be people in the division, so persons were pulled from wherever by whatever means, and this lady was a natural scientist. I found that when I got into the office, the IDB project was not started, and this was at the end of 1995 and the beginning of 1996, before we started to work. The project was in abeyance. Even the procedure for gaining funds and the forms were not known and understood. This was in 1996. The project was not started. The person in charge of the project was not a social scientist and did not understand that.

Sen. Yuille-Williams: That is not true.

Sen. Dr. The Hon. D. Phillips: In fact, all the persons—and there were about three or four persons in that division—were on contract. There was conflict between the director at the time and the deputy director. I am sorry I have to go into this. There was conflict and pulling and tugging and they could not work. Nothing was being done.

In fact, Mr. President, there was no work done in terms of women. In relation to the whole Beijing platform for action with the number of issues which were already raised, there was nothing solid on the ground. Members here have talked about domestic violence and Sen. Mahabir-Wyatt said that nobody is interested in domestic violence. When we got into office in 1996, the first ground programme on domestic violence was put in place, and that was the hotline in August, 1996. There was no programme on the ground in relation to the Beijing directives. The hotline was put in place.

Then, in 1997—and this is for the first time, in relation to domestic violence—a Domestic Violence Unit was put in place to deal with prevention, education, training and community work in domestic violence. So, to say that nobody is interested in domestic violence and nothing from the Beijing conference was implemented, in fact, it is this Government which took the agreements from Beijing to Cabinet to have them agreed to by the Cabinet of this country. Granted, the last government did not have the time because they left office just soon after the Beijing conference, but to say that they had all these things in place, the director was not suited because of her background. I am not really talking against her, but I am saying that she was badly applied to the sort of project she was there for.

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In 1997 we put down the Domestic Violence Unit, and in 1998, we started the drop-in centres on a pilot project. The drop-in centres are in 22 different communities that we put down for six months to monitor, because we wanted to reach the people who were experiencing domestic violence in their own communities, and there was nothing before. We were going to assess that project and see how it functioned to see whether we would put it as a full project.

What happened is that we had 22 centres and according to my report, we had 750 individuals and families accessing services in those centres at the cost of approximately \$175,000. It is a pilot project and we put it in place so that if it is used, and depending on the kind of issues that come up and the kind of assessment, it was not only for violence; it is for all sorts of family problems, because we see the importance of the family and the importance of what is happening with the family. We did this project in relation to the community police, because they are there as well, along with the social workers in the centre. To say that we do not know what we are doing and that we have no commitment to women and no political will is absolutely incorrect.

I must respond to these allegations that when we came in, we closed down Beijing House. Mr. President, Beijing House is still operational for women and, in fact, we have started part of the project in Beijing House, and the only reason we have kept it pretty quiet is because of the nature of the project being carried out there; it has to do with the violence situation. So Beijing House—although it needs repairs and there is a project for it to be repaired under the Property Unit—is, up to today, being used for women. It was never closed, and it is still being used. So, that is quite an irresponsible and misleading statement to say that we closed down the Beijing House.

Mr. President, the Hon. Senator has also questioned the issue of changing the name of the Ministry from “Community Development, Culture and Women's Affairs” to “Culture and Gender Affairs”. Now, I have two questions to ask. I want to ask if the rights of the Prime Minister to distribute his ministries as he sees fit can be questioned and taken away. Is the goodly Senator saying that the Prime Minister has no right to distribute the ministries and the portfolios as he sees fit?

The second thing I would like to state is that community development and culture has a history of moving, in the last two or three administrations, all over the place. In fact, Mr. President, when in this last allocation of portfolios we were trying to work out the moneys owed to the public servants based on the

agreements that were made and we wanted to pay the public servants before they moved, we had to look for their files in the Ministry of Sport and Youth Affairs, the Ministry of Education and the Ministry of Local Government, because culture and community development has been all over the place. My point is, if it is moved now, why is it so wrong? The whole issue of this questioning of why it is moved and this whole criticism of having community development moved to social development; we think it is better placed there.

7.30 p.m.

The other issue about changing the name of the Ministry from Women's Affairs to Gender Affairs is precisely because of our concern with domestic violence. We have found that in addressing domestic violence, as well as in other issues, we cannot address women alone! [*Desk thumping*] We have put male programmes in place; we have put male officers in the Ministry. In fact, when I got into office, I am saying there were three or four persons in place, today there are about 19 in that division. [*Desk thumping*] They are saying that we do not care about women, we have no programmes, yet, the first set of programmes on the ground to address women and to use and to be focused in the community have been put in place in the last two or three years. The drop-in centres was a pilot project. This is one of the things I wanted to say.

Mr. President, I wanted to correct those irresponsible statements which were made. I do not want to waste my time, I have a lot to say.

In the 1997/1998 budget we had made certain statements and I will come a little while to culture. We said that we were going to do certain things. I would just like to give an update of what has been done so far and some of the questions that have been raised will come up.

With regard to the Trinidad Theatre Workshop, we promised that it would get a subvention and we promised as well that it would be allocated its space in the Old Fire Station. The Trinidad Theatre Workshop received its subvention and because the Library Complex is being constructed at this time, there are negotiations going on between the Trinidad Theatre Workshop, the Ministries of Works and Transport, Culture and Gender Affairs and Public Administration to find a place for them so that the construction could go on there until that is done.

We said we were going to start a centre for the creative arts or a culture centre on the Princes Building grounds. We also took this to Cabinet. What we found was that the space was not large enough for the kind of cultural complex that we

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want there. It was too small. What we did, we decided to put a centre for carnival arts on that location. That too has been taken to Cabinet and approved. As one sees, in the allocations we have some money and UDeCOTT, the Urban Development Company of Trinidad and Tobago, is doing the design work for that right now. So we are having a Centre for Carnival Arts on the Princes Building grounds.

What we have also done in the meantime is to have, on the designs of the ACS building, a facility for theatre, dance and performing arts in that building. This does not say that the cultural complex would be for the ACS, but we are providing space in that building, so there will be some space there for artistic performances.

We approved a Carnival Institute; that was approved by Cabinet. The management structure and the operative procedures are still being finalized, but there is an agreement that this institute will start in 1999 with a training component, and a sum of \$100,000 has been identified for that.

We said we would bring on a National Steel Orchestra. That was launched on August 31, 1998. The members are salaried members, they have already gotten a salary and they did get a stipend for their period of practise. They also performed at the last opening of Parliament. They have already received invitations to represent Trinidad and Tobago internationally in 1999. Legislation has already been presented to Cabinet and the board of management is being selected. They are now managed by an interim committee located within the Ministry.

The instruments for the National Steel Orchestra were promised to be delivered by Pan Trinbago. We thought that we would give Pan Trinbago the opportunity to produce the instruments. There are companies right now which tell us they could sell us the pans tomorrow, just pay them and we could get the pans right away, but we thought we would give the contract to Pan Trinbago to encourage them and to facilitate them. We are still awaiting the pans from Pan Trinbago. So, it is not that we do not have pans or money, Pan Trinbago is doing the pans for us. They have promised those pans by the end of this month.

We promised a National Visual and Performing Arts Policy. We did do the policy, but a derivative of this policy called a Draft National Visual and Performing Arts Policy—this is a derivative of the culture policy—has already been completed. We had a committee consisting of several members from the university, from all the cultural organizations, *et cetera*, and they produced a report which is now before Cabinet.

With regard to the Naipaul House, Prof. Ramchand talked about how it took two years to be purchased and he does not know what is happening I am sure we discussed it, and Prof. Ramchand knows that the problem with the Naipaul House was that there were liens on the property and the Solicitor General had to go through the procedures. I was working with the Ministry of Finance to get the thing cleared up. Eventually the money was paid; there was no question about not paying for the house, but the legal ramifications had to be gone through before we were able to pay for it. It was paid for in early 1998. We have a little money in the budget for repairs—\$50,000.

As we know, we cannot put money against nothing. We have to have a project. We talked with “The Friends of the House of Biswas” about the need for a proposal—an idea of what we can do and we are waiting. This is between the Friends of the House of Biswas and the Curator of the Museum. Until we get that proposal and we get it costed, we cannot put a monetary figure for renovations, but we have a little for repairs, so that the repairs would take place and it would not break down. I do not have too much time. I have so much to say.

Accommodation for the National Archives—that has been receiving attention. It has been approved. We had \$2 million approved in the mid-year budget and \$3 million in this year's budget for it.

With respect to the administration of carnival, there is a lot said about this. We said last year that we were going to decentralize the management of carnival and give the interest groups the opportunity to run their own aspects of the carnival. This we did. We found, as we expected, the need for guidance; there is a need for supervision; there was a problem with the accounting and the problem with accounting practices and concepts. We found that there is a need for institutional strengthening and these things are being worked out.

It is not correct to say that there is no money now for preliminary activities in carnival. This is certainly not true. In fact, last year was the first time that we gave money to the groups before carnival, in October/November. That happened for the first time in the history of carnival in Trinidad and Tobago, and we are going to do that again this year with carnival. But as well, we must insist that there must be proper accounting, people cannot just not account.

On this point, let me make reference to a point made by the Prof. Ramchand about not giving the subvention to the Secondary Schools Drama Association. The Drama Association got \$10,000 in 1995; no money in 1996; \$35,000 in 1997 and

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no money so far in 1998. We have, since we came into office, been insisting that any group which gets a grant must account for it. People had not had the practice; they had not been accustomed to accounting. We are saying they must account, and if they do not account they do not get the grant. In fact, there is a rule that was already passed—not even by our Cabinet, but before this—that any group which gets \$5,000 or less must give us a financial statement; \$5,000 or more must give us audited accounts. The groups are not doing that. And we are insisting. This is why, in 1996, the School Drama Festival did not get the grant, but they got it in 1997 when the accounts were brought up. In 1998, several groups have not yet gotten their subvention.

Sen. Prof. Ramchand: I really do have to ask the question, because the Secondary Schools Drama Festival for this year is in jeopardy. I wonder if the Minister can assure me that if they presented their accounts the money would be released so that this year's drama festival could be held.

Sen. Dr. The Hon. D. Phillips: Mr. President, once things are in order they will get their money.

I would like to say that because the financial year ended in September of this year, there are some other groups who have not yet received their grants. For example, all the Ram Leela and Divali groups have not received grants. Once the accounting is done, the grants would be given. We have had allocations to various other groups: Emancipation, Baptist Liberation Day, Indian Arrival Day, Hosay, Eid-ul-Fitr; they have gotten their grants, but Ram Leela and Divali have not gotten theirs. Any group which has not accounted has not gotten. We are trying to encourage this culture of accounting for finances, which is what we are doing with the carnival organizations, as well as with the other cultural organizations.

Just another matter I would like to refer to in passing, because it was raised: the East Port of Spain Complex. It is true that this is perhaps the only one in the Caribbean, I do not know about the wider world. It is a nice facility. But, what we found was that there were millions of dollars in cost overrun. The cost of the thing that is on paper, is not the cost that was expended. What we did was put an investigation team in there to see what is happening. Millions of dollars overrun and we just could not go anymore. When I took it to Cabinet, we had to put some kind of investigation into that matter.

Mr. President: Hon. Senators, there are too many discussions taking place while the Senator is on her feet. I am getting a very clear echo here and I would ask you all to desist please.

Sen. Dr. The Hon. D. Phillips: Mr. President, with regard to the issue of domestic violence. I know it is a problem that is in our country and we need to look at it. There are various theories. What we have found is that this is a problem that is heightening internationally, not only here. Of course, this is not to say that we are accepting it. It has to do with the presumed inequality between men and women, combined with the fact that now there is a heightened consciousness and awareness of people's rights, there is a heightening of democracy, equality and equity and, of course, more women are working, more women know their rights and so forth. This is my theory. As well, there is a contradiction between the ideology of male superiority and the reality.

7.45 p.m.

The reality is, even in the home the woman takes on most of the work. Women also work outside the home, and this has given rise, in many quarters, to insecurity and there is a wider violence culture in our country as in many other countries in the world. Domestic violence is a problem we have to deal with eternally and we have to look at changing the attitudes.

We found that although we have implemented a domestic violence hotline and a unit and we have workshops and so forth, the problem has not been resolved. Up to yesterday someone was chopped to death in Tobago. It is going on all the time and children are also killed. We find that we have to deal with the culture problem, the belief system and the socialization. We have to deal with the values and we have to try to have acceptance of equity and equality between men and women as people with rights. Both men and women have rights and we have to deal with that. We are working on the area of the victim as well as on the area of prevention and, indeed, moreso since we are a division of gender affairs within a Ministry of Culture and Gender Affairs, we are working on cultural values, beliefs and so forth to try to change those as they relate to gender relationships.

We conducted 12 workshops on domestic violence where we were training persons such as community police unit staff, staff of shelters and safe houses, staff of the domestic violence hotline, staff of crisis lines and NGOs in counselling and so forth. We did public awareness programmes and we produced brochures by our Domestic Violence Unit. We established drop-in centres, which I just discussed,

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and we have also had male support programmes. We have five drop-in centres for men and we also have a programme called "Fathers Who Care" in which we are collaborating with an NGO.

In 1999 we want to have a full-strength ongoing male programme which will incorporate aspects of culture, the arts and gender issues which will be very participative and we are working with the university on that. It is still being formulated.

With respect to our institutional strengthening programme, this year we had several sessions with Cabinet ministers, permanent secretaries, members of the legislature, the protective services and the private sector. We were trying sensitization exercises with the people at the leadership level in the society as well as persons in the communities. We had persons from NGOs as well and we produced a training video which we are about to take around to the communities in this area of gender sensitization.

In the area of gender training, we have had some training with the Civilian Conservation Corps where we work with young men and women and discuss gender issues. We did that in 12 venues throughout Trinidad and Tobago.

In the area of health, we conducted a conference in March on issues of women's health. As you may remember, Mr. President, this is one of the areas concentrated on in the Beijing recommendations and we did stress management techniques and strategies and so forth.

In May, we collaborated with the NGOs, the United States Information Service and with Caricom to hold a conference on women in Leadership and Decision Making. This was another area which was emphasized in the Beijing conference. We have been trying to implement the recommendations of the Beijing conference. In fact, in 1998 we established a Women's Leadership and Enhancement Institute. The idea behind this Institute is that we have an institute, not yet a physical structure, but it is within the Division of Gender Affairs, where we are trying to upgrade the skills of women who already have skills, perhaps some kind of craft skills, but we also want to target women who are in leadership positions.

We had a pilot project in this area with persons who had skills and were trying to upgrade their skills so that they could be micro-enterprise persons. Included in the training were aspects of communication skills, micro-enterprise skills development, marketing, self-esteem, confidence building, gender training and

personal and family development. That kind of project was run on a pilot basis and in 1999 we want to run it on a more full-term basis.

So to those persons who are saying that we are not concerned about women, we do not know what we are doing and we have no focus, I am saying that nothing has been done more for women than in this period. Yes, the NGOs have been working and we are working with them but we have been launching out in areas where nobody has gone before.

Mr. President, in the area of culture, in addition to the other things I talked about previously, the Culture Division has been working in three areas. It has been a kind of secretariat to the various artistic and cultural groups around the country, assisting them technically, observing their work and strategies, helping them to deliver lectures and performances, as well as working with government agencies in putting on projects for all cultural shows for various agencies and organizations. They also work with international agencies on any issue related to the arts.

The other area they have been working on is training and development. In training, the Culture Division has done courses in the common art forms in which we engage, including a steelband course and steelband technology and we have even done welding in terms of making the pans. We have done courses in drama and in the various folk arts.

We have sent people to various parts of the world including Mexico, the United States of America, Britain, Suriname and Malaysia. Just a little point on that one, Mr. President, we facilitated that group to Malaysia. Our role was to assist them in getting their visas and in getting across to the country. Their funding was organized through the Commonwealth Foundation and the government of the country to which they were going. They were supposed to be going there to get a stipend. In fact, the group refused when we offered to have a cultural officer go with them to work things out in case they experienced problems there. We take no responsibility for the problems which they may have experienced.

We have also participated in international conferences. With respect to the national days and festivals, what we have done this year was that we tried to encourage community festivals around our national days and festivals. We are trying to nationalize those days; all the 10 or 12 days that we have: Independence, Emancipation, Indian Arrival Day and so forth. We are trying to nationalize them, and to do this, we are working on community festivals and celebrations because we think that this is part of the way to encourage people to have a sense of

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nationalism, unity and community participation, all of which we think contribute to the belief aspect of the culture. We think that in encouraging these activities at the arts level, we are also encouraging it at the culture and value level.

We have signed an agreement with Cariforum, which is a regional cultural arrangement, and one of the regional cultural centres is set up here in Trinidad. We have advertisements out. In fact, we have already had applications for a coordinator of the centre who is to be appointed here and we have some money in the budget for the centre which will be started this year.

In the Division of Culture—and this is the third aspect of their activities—we have what we call a Cultural Immersion in Schools Project. That is, we go to the schools—this was run on a pilot basis this year—and we expose the children to a range of customs, practices, skills and values associated with our national heritage. We have found, in assessing this programme, that the teachers report that the academic performance and behaviour of the children are improved because they participate in so many aspects of the culture and they feel a part of it. Some of those aspects of culture are used to emphasize and reinforce the academic part of their training.

In relation to heritage, Mr. President, we have been trying to highlight the work of the national museum and art gallery. In doing so we have had several exhibits and we have been encouraging the use of the gallery because it has been quite dormant. In February we had an exhibition in kinetic art; in April there was one on Chinese contemporary clay works; in March, secondary schools art show; in July/August, photos and phantasms and so forth. In August/September we had a “Trinidad and Tobago through the eyes of an artist” exhibition which was part of the exhibition launched for independence in Britain last year. We brought it down this year for our independence here.

In the area of education we had a museum educational theatre in April which is an educational programme using theatre techniques to alert students to the viability of the museum as a learning resource. We had groups of 40 students per group come in to use the museum in this way. We had a history evening in May which was a public lecture by Pat Bishop which continued weekly. We had a children’s heritage workshop in July/August which was a six-week workshop for children between the ages of 7 and 11 and a film making workshop in July, which was a two-day workshop conducted by the Film and Video Association of Trinidad and Tobago. We had outreach activities, video film, travelling exhibition and so forth.

We are trying to encourage a sensitivity to our heritage through the work of the museum particularly in schools.

The major focus on the archives now is its renovation and we are doing that at a cost this year of \$3 million. We are also concentrating on computerization of the national archives, upgrading the computer technology and database with the assistance of personnel from STRATIS.

We have been working on the developmental programme which consists largely of work on Queen's Hall. This year we want to renovate Queen's Hall and encase it so that it can be air-conditioned, and that is to a tune of \$1.3 million in 1998—1999. We have been working on the Naparima Bowl as well, but our main work construction for now will be on the National Archives.

8.00 p.m.

Mr. President, when the portfolio of the Ministry was reassigned, we did a strategic review and we found that the core of our mandate in the Ministry of Culture and Gender Affairs was to influence and guide human values, standards, beliefs, traditions and behaviours; to promote the rights of our people, as well as to contribute to the improvement of their lives. This is our new mandate and new focus consistent with the reassignment of our Ministry.

We see here that culture, not only in its artistic form, but in its values, beliefs and traditions, is the core of our focus. We intend to carry out this mandate through research and development activities, through promotion, preservation and protection of our arts and heritage, and through the fostering of a sense of national consciousness and national unity.

We also recognize that gender issues are themselves intermittently intertwined in our larger value systems and our belief patterns in relation to men and women. We are saying in addressing the broader issues of culture, which are the values, beliefs and traditions, we are necessarily addressing gender and here we do not mean "gender" meaning women, we mean "gender" meaning the relationships between men and women, the equity between men and women as people and as having equal access to resources, services and facilities in our country. We think that the core beliefs in values and socialization patterns are at the root of our gender relations problem. In addressing culture in this way, we are addressing gender as well.

These are some new projects we want to start—

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

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

Question put and agreed to.

Mr. President: Having regard to the time, however, I think we should break, have some refreshments and dinner and we shall resume at 8.45 p.m.

8.03 p.m.: *Sitting suspended.*

8.45 p.m.: *Sitting resumed.*

Sen. Dr. The Hon. D. Phillips: Mr. President, there are just two points I would like to make before I close.

We had been using our internal audit in keeping with our insistence that accounting is necessary in the various departments of the ministry. In addition to the routine examinations of vouchers, schedules of accounts, vote books and so forth, the audit has been investigating the regional complexes, the terminal malls, the relief centres, the national museum and art gallery, as well as the carnival accounts of the special interest groups and, now, the audit of the National Carnival Commission. That audit commenced at the end of September and is still in progress. In relation to the stated \$2 million overspending, we will look at that and whatever comes out of it, we will take the necessary action.

During the 1998/1999 year, we have a project for non-traditional training of women. This follows a pilot project which was conducted in the 1996/1997 year. This is a project where women are trained in the repair of electrical and other appliances and in construction skills. This is to be conducted by the John S. Donaldson Technical Institute, co-ordinated by the Gender Affairs Division. It is proposed that 1,000 women will be trained per year and the project will run for three years.

We have another project called the social integration and training project for young men and this is where we want to achieve a full on-going male support project. This is being prepared to address the difficulties experienced by some men in taking their rightful place in society, to live successful and productive lives. This project is still in the planning stages. It is to be highly participative; it will contain elements of art and culture and, as well, address gender issues, gender sensitization, social cohesion, *et cetera*.

The cultural immersion in schools project was implemented in the pilot phase. We want to intensify this project in 1999. It is a cultural project that also has elements of behaviour and gender as well.

The Women's Leadership and Enhancement Project will also, we hope, be fully implemented this year. We had a pilot project for this, again, which was highly successful. We hope that several thousand persons will be able to access this project.

We want also to engage in draft legislation against sexual harassment. A bill on this matter will be drafted early in the new year.

We are also proposing a continuation and intensification of the drop-in centre project. As I said, this was done on a pilot basis. We had several pilot projects in 1997/1998 and, for this one, we are going to seek intensification of this project and through the community aspect of the Ministry, we will be collaborating with the Ministry of Social Development on this particular one.

8.50 p.m.

We would also be collaborating with the Ministry of Social Development on the homework centres for children which is to be done in several communities. We have been engaging in community camps and micro-enterprise projects for women in communities and hope that this will continue, pending the availability of funds.

Mr. President, in 1998 we have put several pilot projects in place for women and men and in 1999 we want to see them emerge into full-scale projects in some aspect of culture and arts, but also looking at the gender issues and also preparing our women for employment and empowerment. We also have a proposal to have training scholarships for women which would have a stipend included. This is a proposal—I do not want anybody to say that it is a promise—that has not yet been approved by Cabinet. We are looking at the possibility of sending single parents—our women and men—for employment in related areas such as childcare, assistant nursing, care for the elderly and computer courses. We are going to attempt to get this project off the ground in 1999.

Mr. President, these are some of the projects we want to do in 1999. I hope I have given a fair account of what we have been doing and showed that we are very clear and focussed in our mandate. Community development, culture and gender affairs has to do largely with culture, the values, beliefs and relationships which are predominant in our society. Those are the areas we want to influence and change

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in the appropriate way. We want to empower women and encourage equity between men and women, which is difficult. We know it is an ongoing activity and it is very important.

Even if this particular Minister is not boisterous and loud in statements and does not go about thumping her chest about what is being done, it does not mean that we are not doing anything. In fact, I think we have done more for women in these last few years—and I mean on-the-ground projects—than has ever been done in the past. [*Desk thumping*]

Mr. President, I thank you.

Sen. Nafeesa Mohammed: Mr. President, I know it is very late in the night and quite a few Senators, if not all of us, would be very tired after these three days of what I consider to be one of the best budget debates I have experienced so far in my short stay here in the Parliament. I see that we have some guests in the Chamber and I know that his contribution was already published in the newspapers so I thought that other arrangements would have been made so that we would get some fresh information.

Notwithstanding that, Mr. President, as we await his contribution with anticipation—as we get it for a third time—I hope I would be able to maintain the very high standard of the debate that has taken place especially from the Senators on this side, including the Independent Benches, and one or two on the Government side.

Of course, Mr. President, I must confess that last night I was very disappointed by a couple of contributions I heard. I was extremely disappointed especially with the contribution of my colleague, Sen. Dave Cowie, because I know him as an attorney-at-law, whose reputation in the legal profession is, indeed, very high. He is an advocate in the courts of law, but last night I had to leave the Chamber in total disgust. I am really very saddened when I hear leaders in our country resort to these tribal types of statements and contributions which further divide and polarize our country. These are the kinds of utterances we have been getting from people in high places on the Government side, from the Captain and going down to others.

Mr. President, I start my contribution on this year's budget by quoting Theodore Roosevelt in a book entitled *Character*. It states that:

“It is character that counts in a nation as in a man. It is good thing to have a keen, fine intellectual development in a nation, to produce orators, artists,

successful businessmen; but it is an infinitely greater thing to have those solid qualities which we group together under the name of character: sobriety, steadfastness, the sense of obligation toward one's neighbor and one's God, hard common sense, and, combined with it, the lift of generous enthusiasm toward whatever is right. These are the qualities which go to make up true national greatness."

Mr. President, we have heard the 1998/99 budget being described as "The People's Budget", but I wish to label it "A 'Mammaguy' Budget" instead. I say this with all due respect to all that has already been said. However, I think it was when the debate was completed in the Lower House, and we had this very abrupt ending to the whole proceedings, the hon. Minister of Finance chose to go to a UNC luncheon where he attempted to give his wind-up speech to the budget. He complained at that luncheon—a party luncheon—which has been aired time and time again on television using state resources—

Sen. Kuei Tung: Would you give way?

Sen. N. Mohammed: Sure.

Sen. Kuei Tung: That luncheon took place on the same day. It was not after the wind up, it was actually before the wind-up, in other words. I do not want you to mislead the Senate.

Sen. N. Mohammed: Now we understand why they abruptly ended the debate. It was because he went to the UNC's heartland and chose to wind up the debate there.

Mr. President, it is our duty on this side to critically analyze the budget, just as they had the time and opportunity to do the same when they were on this side. That is the role of an opposition when a budget has been presented. We have the right to look at the measures enclosed there, critically analyze them and provide alternatives as we have been doing. That is our constitutional duty.

9.00 p.m.

Let me say at the outset, that, yes, there are some measures that are indeed very good; in particular, the provision to increase the old-age pension by \$100.00.

Mr. President, what saddens me is that while friends, close associates and financiers are getting millions from the coffers of this nation, other citizens in this country just have to settle for some crumbs, and \$100.00 increase, but we

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welcome it. If we can get the millions, better yet—and we make a plea to the hon. Minister of Finance that he should really seek to bring about genuine social equity when the next occasion arises.

The manner in which the debate ended so abruptly in the other place, is a matter of great concern to us and, indeed, to the nation. It really was an insult to the nation. It shows a kind of contempt for the people of the country. The hon. Minister, from the little I have read and was able to gather from his winding up contribution in the other place, and not in another place—what I saw was he did not at all address any of the serious concerns and questions which were raised during the course of that debate. We are hoping, seeing we are fast approaching the winding up of this debate, that the hon. Minister would not treat us with such contempt and, certainly, he will seize this opportunity to answer us and provide some explanations to the statements and allegations that are being made.

What was really disturbing—I have a copy of what was said—it was published in the *Sunday Guardian*, October 19, 1998 at page 21 where he said that:

“People are not interested in whether the numbers are correct or wrong. I want to admit that I am an accountant by profession but I am not the book-keeper for the Government. There is a department in the Government that is responsible for accounts and the accounting system.”

Mr. President, that is the most irresponsible statement that a Minister can make. At the end of the day he is the Minister in charge of the finances of this nation and, therefore, the buck stops with him. He has to bear the responsibility for the figures and do not try to pass the buck on the innocent public servants in this nation. They can only act based on the directions that they get from the head of the particular ministry who is the Minister. That is under our Constitution. The Executive arm functions with a minister under which comes a permanent secretary and all the other civil servants. They can only go with the directions and other policy decisions that the Minister brings to them. Therefore, the buck stops with the Minister and all these statements and allegations about the inconsistencies in the figures, and so forth, he has to take full responsibility for them.

They seek to do it all the time; always trying to shift the blame elsewhere—and I will come back to that in a while.

When I heard my colleague, Sen. Montano, making his presentation two days ago, I was really very proud to be associated with him in this Chamber. To me he presented the budget for this nation. In his contribution he provided the kind of

analysis that is required, and he also provided alternatives. If the hon. Minister of Finance is sincere to this nation he will pay heed and take note of what Sen. Montano said in his contribution. Of course, Sen. Philip Marshall was as good as Sen. Montano. I do not know if it is because of their profession but I know the Minister of Finance is also an accountant but I have to wonder what is going on. Something is wrong. Maybe, it has to do with the statement about character. I quoted from this book simply because the Minister complained at the UNC luncheon on the same day or hours, minutes before that, that we were attacking the messenger. In some respects yes, there might have been some personal attacks but at the end of the day, the issues are real issues to be dealt with.

This is the Minister's fourth budget and we can go back from 1995—1996, and one would see the number of unfulfilled promises. We have been hearing about them. The hon. Minister of Agriculture, Land and Marine Resources is here. When they first came into office they boasted about a social mitigation programme. Where is it? They talked about lower food prices. Minister Assam boasted that food prices will go down. I want to know what really is going down. They talked about a plan of action for poverty reduction.

Last year the Minister of Finance came to this Chamber and made the same kinds of grandiose statements about their concerns for agriculture and announced a new agricultural incentive programme, yet he came back to this Parliament this year and repeated the same thing as though it was some new initiative on the part of the Government. This is hoodwinking the nation. They announced it last year, they failed to put it in place and now we are hearing it will come in place in 1990. There is nothing new to it. We have always had incentives in place. I will say a little more on that. They came with the computers for all public servants.

Sen. Gangar spoke about the fact that he had explained already that there were some bureaucratic problems, and that did not come through. The fact of the matter is that although he announced it in the budget statement last year, he made absolutely no financial provision for that measure to be put into effect. It is no wonder they were not able to put the necessary machinery in place.

Sen. Mark: You are misleading the Senate.

Sen. N. Mohammed: That is very true, and if you wish you can correct what I am saying because you have access to the information and the records. The \$25 million for single mothers. It is a "mamaguy" provision. I always like to quote from the Mahatma. The local Mahatma is the hon. Mr. Basdeo Panday, the Prime

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Minister of the country. In the book published with a collection of his speeches he has a definition of a budget. I have already quoted from it. *Basdeo Panday: an enigma answered*. He said:

1. A budget is an occasion in which the Government reviews its last performance, notes changes in the objective, societal conditions, and modifies its strategy and tactics if need be.

In the second volume of his speeches, in his response to the 1995 budget, the Mahatma, the man who was then the Leader of the Opposition, now Prime Minister of Trinidad and Tobago, laid down six criteria for a budget.

He said:

A Budget which would pass the test of relevance in 1995 and in future years must address frontally the following issues and satisfy at least the following six criteria:"

In a nutshell, these criteria are—and one must learn from the Mahatma. The hon. Minister claims to be a messenger. This is what he was saying then. Now I do not know. Just like the hon. Leader of Government Business, since he is on that side a total transformation has taken place. Now it is a different kind of talk one is getting. In essence, a relevant budget must facilitate a direct attack on unemployment. This is the Mahatma saying that.

Mr. President: Hon. Senator, call the hon. Prime Minister in his right capacity. You have said Mahatma long enough.

Sen. N. Mohammed: Certainly, Mr. President. I just thought it would have been a more elevated description. Certainly, no disrespect intended.

The hon. Prime Minister said that a relevant budget should set a target by which the rate of unemployment would be reduced every year. I would like to know what the Minister of Finance's targets are.

- (2) A budget must contain measures to reduce poverty.

I will give him credit. He has made some statements and I will see how far he gets with that.

- (3) A budget must safeguard the stability of the currency.
- (4) A budget must encourage the development of the human and production infrastructure in the country.

- (5) A budget must encourage savings.
- (6) A budget must be designed only after consultations are carried out.

The long and short of it, I think, is that the Minister has failed in four of these criteria. I would like to touch on one or two of the shortcomings in this “mamaguy” budget as I call it.

9.10 p.m.

To begin with, in his budget statement, he certainly has glossed over the crisis that the international economy is facing at present and the likely impact on Trinidad and Tobago. On page 8 of the budget statement, the hon. Minister based his provision for this year on an oil price of US \$14.50. Today I note that the Minister of Energy and Energy Resources sought to give some sort of explanation of how difficult it is to determine oil prices. We know that it is probably only God and what goes on in the Middle East that really give an idea.

Last year, when he quoted a price for oil, I distinctly remember the former Sen. Penelope Beckles questioning the figure being used on the issue of the oil price, based on information she revealed in the Chamber. Lo and behold, within three weeks of that budget debate being completed, the price of oil dropped dramatically. I am raising it because it is a matter which we must heed. There was an article on page 4 of the *Guardian* yesterday: “Mexico budgets for US \$11.50 per barrel”. It is just a word of caution.

Mr. President, earlier this month, sometime around October 6, 1998, the Managing Director of the International Monetary Fund warned of not just a country in crisis, but a system in crisis. Yet, on page 9 of this budget statement, we see the Minister saying that:

“In spite of declining oil prices, sagging petrochemical prices and the global effects of currency crashes in Asia and Russia, our economy is poised to grow by 5 percent this year.”

This will be the highest rate of growth this economy would have experienced in EIGHTEEN YEARS.”

My colleague, Sen. Danny Montano, quoted from a document, *The Latin American Monitor*, Volume 15, No. 10, October 1998. It is a review of our

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economy. They have quoted statements made by the Central Bank governor, Mr. Winston Dookeran. In a column on the right hand side of this article, in looking at the question of economic prospects, it says:

“Ongoing capital investments projects, mostly foreign-financed, will continue to drive growth over the short to medium term but weak oil prices and global uncertainties will eventually pull down domestic growth. We have, accordingly, downgraded our 1999 GDP growth forecast to 3%...”

I am quoting this so that the hon. Minister will take heed.

This was another omission when the hon. Minister presented his budget. Just days before his budget presentation, this nation experienced a water crisis never before experienced in the history of this country when a water main broke down. Hundreds of thousands of persons in South Trinidad were without water for days. To this date, I have not heard anyone from this Government reporting to the nation as to the quantum of losses suffered, particularly at the Point Lisas Industrial Estate.

I read where one particular gentleman, I think he is the Chief Executive Officer of one of the companies there, made a statement to the effect that millions of dollars in losses have been suffered. That will affect us this year. I hope that the hon. Minister will see it fit to look into this matter and give an account to this nation. In fact, if he has to review his budgetary measures, by all means level with the population.

I also urge the hon. Minister to look at what is happening on the Stock Exchange. On page 4 of today's *Express*, with respect to price of shares traded yesterday, let me just give some figures:

ANSA Finance and Merchant Bank, a drop in the price by 15 cents; Berger, a drop in the price by 10 cents; CIBC (West Indian) Holding—5 cents decline; Point Lisas development—15 cents decline; Trinidad Cement Limited—5 cents decline; L. J. Williams—5 cents decline; L. J. Williams (a)—1 cent decline.

The fact that these prices of shares are dropping is a matter of great concern for everybody in Trinidad and Tobago. It has to be. It is a very, very, serious matter and signals something. Knowing that this drop is taking place so soon after the budget debate was completed in the other place is an indication that there is some uncertainty and that movements are taking place that are indeed worrisome. Any Minister of Finance should be concerned about that.

This reminds me of a very popular calypso of 1986. It was the NAR campaign calypso by gypsy: “Captain, the Ship is Sinking.” I therefore urge the Minister to be cautious. He will notice that there are some big holes. I will come to that in a while.

The hon. Minister in the newspapers pats his own back. I think it was reported on page 21 of the *Sunday Guardian*. This is what he says:

“Everywhere I go I get great acceptance...”

He goes on to respond to Mr. Manning’s forecast on the economy and he was quoting what Mr. Claudio Loser said about the Trinidad and Tobago economy. My colleague, Sen. Joan Yuille-Williams dealt adequately with the other parts of Mr. Loser’s speech, to which the hon. Minister did not pay attention. That is where he talked about the lessons we can learn about the crises taking place. In terms of what is happening, he very emphatically dealt with the issue of transparency. He also spoke about governance and equity.

On this question of transparency, Mr. President, I call on this government to give us some answers. Tell us what is happening. Instead of looking for smokescreens and creating red herrings deliberately, answer the allegations that are being made with respect to the InnCogen deal. This is the most recent scandal in this country and it is very relevant to the budget. As we have heard, matters of corruption and so forth are bound to have an effect from an economic point of view.

No Senator on that side can deny the fact that one of their good friends—I will not call his name, but will refer to him as the “short pants man”—is a major financier of the UNC, a fundraiser who resides in New York and who has very influential and powerful connection with the powers that be and is linked in some way to this whole deal, whether InnCogen or Innercob.

9.20 p.m.

We are calling on the Government to be transparent about this matter. It has very serious consequences and they need to tell us whether it is true that T&TEC was in fact directed to treat with a totally unknown entity purporting to deal with power generation called Innercob Industries Limited. They should tell us how long has that company been in existence. Who are the shareholders and directors of that company? What experience do they have in power generation, and what role they have played in this whole InnCogen transaction? The Government must level with us.

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The hon. Minister of Public Utilities is my friend, we studied together, and I make no bones about that, but I am very disappointed that instead of levelling with the population, he has chosen to divert the population's attention and deliberately create a smokescreen to hide behind the real issue. It is a whole web of intrigue and nepotism that is taking place and it is really very irksome.

They want to grandcharge and grandstand on the issue. If you are serious about dealing with matters of this type, I call upon the Government to bring to this Parliament the Integrity Legislation which we know has already been drafted. I sat on a Joint Select Committee for several months last year and there is a report that is in. We would like this Government to bring this legislation to the Parliament so that we can debate it and have integrity legislation with more teeth so that matters like these and other types of matters can be appropriately dealt with, instead of trying to divert attention and shift blame and trying to take away from what is happening.

Two wrongs do not make a right. In the same vein all of a sudden out of the blue in the last few months we are hearing all this talk about desalination plant. We dealt with it here in a very brief way, but the fact of the matter is that hundreds of millions of dollars would be spent on putting down a desalination plant when we have natural water resources with which we can deal.

In fact, the hon. Minister is not saying anything about the leaks programme that is supposed to be taking place. They need to be repairing the leaks. Perhaps if that was being attended to, the crisis in Central Trinidad would not have taken place. It is like all these big deals and transactions, there is something very dark and worrisome that is taking place behind these kinds of transactions. Nearly \$600 million would be invested in this desalination plant. We have heard already where just a week or two ago, funds were raised on the local market and bonds were issued. What does that mean?

I remember reading some statements by a very senior person from the Nova Scotia Bank who said that interest rates are likely to rise because there is a drying up of liquidity in the system and the fact that they have gone to the local market is a reflection of their bungling incompetence because they had announced previously that the World Bank funds would be negotiated for the south water project and now out of the blue they have gone local. Again, I believe that there is something sinister going on behind the scenes with that. Out of the blue there is desalination, everybody wants to get a cut.

That is not all. I am now seeing the link with this whole InnCogen fiasco. Since 1995/1996, when the hon. Minister made his first budget presentation, we started to hear a lot of talk. We had been discussing at great length the problems concerning Caroni (1975) Limited and we know for a fact that since 1992 there was a coming together of the key players of Caroni (1975) Limited, the Government, the company and labour and the then Leader of the Opposition himself was a signatory to what is well-known here as the Tripartite Report.

The hon. Minister is in charge of Plan B that is the kind of propaganda and hoodwinking that I am talking about which is taking place in this nation. Serious issues and they are circulating UNC propaganda in Parliament.

Mr. President, the direction in which we have been heading is towards the Tripartite Report. The hon. Parliamentary Secretary responded to a question which was asked about the implementation of the conditionalities attached to the Agricultural Sector Loan and she made certain definite statements with respect to that Tripartite Report. We know that last year, or the year before that the hon. Minister talked about a Price Waterhouse Report which was looking at the whole financial viability of Caroni (1975) Limited, now out of the blue we are hearing about a plan to divide Caroni (1975) Limited into stand-alone companies. I am now seeing the link because in a statement which was published in the *Sunday Guardian* of October 11, 1998 just a matter of days after the budget was presented this is what the chairman of Caroni (1975) Limited had to say: The article says: "Caroni Plan under review since January"

"Caroni (1975) Ltd. is to become a landlord of industrial parks and processing plants in its bid to make money."

It goes on:

"And, says Ramkissoon, the vision is to convert parts of the Brechin Castle Estate into an industrial park. Plans are already in place to establish InnCogen (electricity generation plant) and an ethanol plant, next to the Brechin Castle factory."

"The companies will exist within the whole framework of Caroni as a holding company..."

The stand-alone companies will focus on areas that have stood alone for too long."

Mr. President, when I see the link here with InnCogen, and knowing that the short pants man who is often the guest of the hon. Prime Minister in his home both

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at St. Ann's and in San Fernando, I have to wonder, and I have to worry about what is going on.

There was another article which I came across which was published in the *TnT Mirror* newspaper. It says: "Land deal with Caroni stinks!" Excuse my language, I am merely quoting from the newspapers of Sunday October 18, 1998, on page 5. It says:

"InnCogen has secured a lease on 62 acres of Caroni Limited's prime industrial land at less than half the price the debt-ridden sugar company charges other investors."

It goes on:

"This arrangement means that Caroni will get around \$600,000 a year from InnCogen, whereas other companies that lease similar plots, will pay \$1.5 million.

In other words, InnCogen got a 'steal-of-a-deal' from Caroni.

Innercob, the smallest segment of InnCogen, first applied to Caroni in early 1997, and its application found favour with the Board, which approved it speedily."

Do you see the web of intrigue, nepotism, favouritism and curryfavouring that is going on, Mr. President? It really irks me and these are very serious matters that would affect the economy of this country because under the PNM we know that efforts were being made to put Caroni (1975) Limited—we know it is a problem for the economy of this country—on a more viable footing and you see that InnCogen, is one of the holes in this ship that would have it sinking amongst others. There are several others.

Mr. President, these stand-alone companies for aquaculture, rice and a number of companies, projects which we know over the years had been attempted and failed miserably. This weekend I met a gentleman who was operating a shrimp farm in the area and he was explaining to me it is because of the nonsense that is going on in there that that company had to close down its operations. It would have been a viable entity. When we know in truth and in fact that the real plan seems to be—well they say it is to make Caroni (1975) Limited a landholding company so they could give their friends very favourable leases. That is the real racket which is going on.

It is a kind of waste and mismanagement that is taking place and once again I call on the hon. Minister of Finance to be serious with Caroni (1975) Limited. We know that the Tripartite Report is the direction. Tell us if that is still the course of action that we are pursuing to make Caroni (1975) Limited financially viable. Come and say so. Now, out of the blue you are talking about these stand-alone companies. Who are those members in that committee you are talking about who are looking at this possibility? I would like to know. What kind of studies, tell us, let us know, let us have some discussion on it because at the end of the day we want to save taxpayers' money. We want to see Caroni (1975) Limited survive and we want to see it as an economically viable entity.

In the budget speech the hon. Minister talked about agriculture being of strategic importance, but as I heard one gentleman say on television a few nights ago, agriculture is really like the bastard child of the economy. I find that was such an apt description and I am glad that the hon. Minister of Agriculture, Land and Marine Resources is here this afternoon. Since last year they talked about these new agricultural incentive programmes and the reality is not one cent was given.

Yesterday, we heard Sen. Dr. St. Cyr talk about these incentives and I am sure there are people around the Minister who would know the history of these incentives and what has been happening. What are the problems? In fact, I think there is a type of international recognition that it is now just a waste of time to be continuously pumping incentives in terms of the inputs that are involved in agriculture. Rather, you should seek to give incentives on the basis of output.

When one looks at the actual programme, one would see the kinds of incentives which are being offered. I am very glad that incentives are being given in agriculture, they are needed, but if this is the trend internationally, then by all means do not go back to a system which was opened to abuse it in all forms and fashion. It just shows there is nothing new in agriculture. There are no new initiatives and I keep saying it. The figures are there in the Minister's budget documents. In the *Review of the Economy 1998* it is there for all to see. When one looks at Appendix 2 under the heading "Agriculture" with respect to the contribution to GDP, Export Agriculture declined 28.2 per cent, Domestic Agriculture declined by 14.4 per cent, sugar declined by 31.8 per cent.

When one looks at page 15 of this document, cocoa and coffee production fell in 1998. We know that sugar fell. We told them so last year with the froghopper and everything else. Not only sugar, but other produce, citrus and beef production also fell and generally, the agricultural sector declined by some 21 per cent in this

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last year. And indeed, food prices have been going up and yet the hon. Minister talks about agriculture employing more persons. I would really like to know where.

When I look at this budget statement this is what the hon. Minister of Finance has to say on page 10 of his speech.

“...the inflation rate has increased from 3.8 percent at the end of 1997 to 5 percent in July, 1998. This was not totally unexpected. The key factor influencing this increase has been the rise in domestic food prices brought on by the unusual weather pattern over the last year...”

Everything is the weather pattern, El Niño, no wonder they call the Minister El Niño from Princes Town because there seems to be where all the real problems are why all these figures are declining.

Mr. President, what is very irksome too is to know that with all these facts and figures to show that this Government is bungling with the agricultural sector and nothing is happening—the hon. Minister of Agriculture the ministry and God alone knows who, but I would really like to know. I would like the hon. Minister to tell us in this Chamber how much money was spent last year in at least two of the Daily Newspapers.

9.35 p.m.

I have it here, Mr. President, four full pages of advertisements in the *Trinidad Guardian*. I am sure between this and the *Daily Express*' publications it would have cost the Government about \$50,000, and there are farmers in Aranguez in need. I want them to account to us how much it cost to publish this advertisement and the Minister is here to take another bite of the cherry and to repeat the same speech. That same \$50,000 could have gone to help the poor farmers in Aranguez whose livelihood is now devastated by the recent flooding that has taken place. This is mismanagement. This is an abuse of state resources because, ultimately, this is our taxpayers' money from the Ministry of Agriculture, Land and Marine Resources. Come on, come on. Mr. President, every problem is blamed on the rise in food prices. The Minister has said it. They are quick to say it is because of the weather conditions, El Niño. I agree, it is probably El Niño from Princes Town.

We know what happened in this country with the floods that took place. Not just Central and South Trinidad were affected, two days ago before this debate started, as I was entering my office, in desperation, a farmer was there waiting to

see me. He picked me up to show me what they were experiencing as a result of the weekend's flood.

In that Aranguéz Savannah area, I am speaking about an area that stretches from Bridge Road behind the gracious Aranguéz Villas—which is beyond the reach of people in the area to purchase a home there, but they talk about affordable homes—going all the way east to the Uriah Butler Highway, and from the Eastern Main Road coming to the San Juan River that, ultimately, crosses under the highway, it is roughly about 100 acres of land, there are about 40—50 farmers who have been farming there. One farmer told me that he has been planting garden there for about 50 years and never before has he experienced the kind of flooding as he has experienced recently. The kind of devastation they experienced over the weekend is estimated to be well over \$3 million. Mr. President, it is so sad, the hardships that our farmers have to experience, but the Government would be quick to say it was an act of God and that never before did we have such heavy rains.

Do you know what is the problem, Mr. President. For the last two or three years, the Ministry of Works and Transport—as usual the Minister who is always so obsessed with himself and publicity—would go and start work, bring cameras, tell people that he is clearing rivers, and that flooding would be a thing of the past. He repeats the same speech year after year. I think the hon. Minister of Agriculture, Land and Marine Resources toured that area, but the Ministry of Works would start work in the middle of the area from the Eastern Main Road coming down to Caroni River. They have been on one spot for three years. The hon. Minister of Works and Transport should go and check it out himself. The equipment is kept at Boysie Jagmohan's home in Aranguéz. I am sure the Minister knows him. He and Minister Assam could go and check it out.

Mr. President, what they have pointed out is that the drains that lead into that San Juan River are not being maintained as they ought to be maintained. More than that, apart from the cleaning and the maintenance of these drains that are required—we know for a fact that every year this Minister has been talking about the sluice-gates that were going to be fixed. He went in an area near the Caroni River, south of the highways, Chanka Trace, where the people have complained time and time again about the same the lack of proper maintenance of the drainage, and that the gates were not functioning. I urge the hon. Minister to get serious. Further than that the farmers are saying that when the Ministry of Works and Transport's personnel do come into the area—on one occasion they came with a

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bulldozer and actually broke down an irrigation system one of the farmers himself constructed.

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

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

Question put and agreed to.

Sen. N. Mohammed: Thank you very much, Mr. President. As I was saying that drainage problem needs to be attended to in that area. There must be some dredging work done, but not from the middle of the area. It must come from the Caroni River mouth up the road, to try to alleviate this flooding problem.

I know long ago there used to be some flooding, but work started under the People's National Movement. In fact, it was in 1993, the first phase of the Rural Access Roads Programme was initiated. One could go and see the lovely roads that were developed in that area and the flooding problems had been alleviated. Again, anything this Minister of Works and Transport seems to put his hand on some kind of blight takes place. I will come back to that but let me finish with this agricultural problem.

The farmers there have suffered tremendous losses. They have indicated that they wish the Government could make some kind of funding available to them on a soft-loan basis. They would be willing to repay this loan, but if they have to go to ADB or the bank a lot of interest would accrue and they need immediate relief. They need to get back capital to be able to produce food. We are seeing the reports that food prices are going to skyrocket, especially with the Christmas season coming because there is going to be a shortage. Mr. President, that is a matter that needs to be looked at. I am sure the hon. Minister of Agriculture, Land and Marine Resources would, in fact, be prepared to meet with these farmers, if need be. I have read, as well, where other farmers in Fyzabad and so forth are also affected.

I also want, as the Minister is here, to make a plea once again to this Government to take action with respect to the construction of proper marketing facilities for our farmers for the wholesaling of goods. We need a proper farmer's market in the North. We know there is one in Debe. Every year the Government boasts about how many people are using it, but the majority of farmers in this country continue to have to face problems at the Central Market in Port of Spain, which was not designed to be used as a wholesale market, but a retail market.

Our farmers need to be treated with dignity and respect. I know under the PNM there were plans to build a proper wholesale market for farmers in the Aranguez area, that is the food basket area of this country. Three years now the Minister has been talking about building rural markets, he is supposed to build 10 or 12, if four have been completed that is plenty. We want a proper farmer's market, Mr. President.

Sen. Prof. Spence always speaks about developing linkages with the farmers and the School Feeding Programme. I am now asking the Government to please develop these linkages and it should try to encourage the use of more local produce so that it would be an incentive to the farmers to produce more.

I spoke about the farmers being treated with dignity. I say so because discussions are taking place about the Nariva rice farming situation. Last week I read the headlines about pet and dog rice from the Nariva Swamp. These people are producing food for the nation, and if there is an environmental problem, as I know there is, and some assessment was done, then by all means let the Minister reveal what these studies have come up with. If it is possible to find a way that these farmers could work in a manner to continue to plant rice that is compatible with the environmental concerns, then we should try to encourage it. We should not have these farmers suffering and treated with this lack of dignity.

Mr. President, they find areas very quickly to set up plants in Point Lisas, and in an environmentally unsound area, too, but all sorts of attacks are being made on the farmers who are producing rice in this country.

9.45 p.m.

Now I come to our good friend, the man with "Plan B", the Hon. Minister of Works and Transport, Sen. Sadiq Baksh, and I specifically point him out because we know that the real issue of the day has been the flooding problem that took place over the weekend and the crisis that the people of Central Trinidad, in particular, are experiencing with respect to the Caparo River. This is the fourth year I am talking about this problem here, and I will reiterate the facts for the Hon. Minister.

In 1993, the Members of Parliament for Caroni East, Caroni Central and Chaguanas went so far as to demonstrate, I think the Member for Chaguanas had sat on the highway because of a flooding problem that took place in Central Trinidad and was locked up. As a result of the agitation that was taking place, the then members of Government, Minister Colm Imbert and Mr. Jarrette Narine, went

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down there and took competent technical people who were able to look at the problems facing the area, particularly with the Caparo River, and they did a comprehensive study of the work that was necessary to alleviate this problem. What they came up with was a three-phase programme to deal with this flooding issue. The first thing was to build retention ponds and the second was to fix a bridge over the highway. I think that because of the number of years, with respect to the cylinders under that bridge, the silting has increased and there were plans to deal with that issue and also to construct some sluice gates down in the Felicity area.

The third phase of that programme would have been to realign the river. Does anyone know what this Government has done just for short-term gain and political expediency? Because of the problems that have been arising, last year when we spoke about it, the Minister of Works and Transport rushed to Caparo with big cameras, photographers, tractors and bulldozers, and they started to dig to realign the river. One big “pappy show”! He said, “Floods will be a thing of the past in that area!” They brought a contractor representative, one was on television yesterday morning talking about the issue, and he said that they can only go by the instructions they get from the Ministry, and their work is to do short-term work only. They have gone in typical UNC style—back to front—and started to realign the area so it will only make the flow of water easier. No wonder the whole place flooded out! The first thing they should have done was to build the retention dams, then fix the bridge, and then realign. But, political expediency.

Everything the Minister of Works and Transport is doing is an obsession with public relations and going around and fooling people. They talk about how the PNM only knew about hand-outs and dependence. The Hon. Minister, when he was the Minister in charge of URP, used to go up to the hills of Laventille, and we know the kind of handouts he was giving out. That is what they know of; cheap political expediency, instead of proper long-term planning for the benefit of this country.
[Desk thumping]

Mr. President, concerning the used-car dealers, around election time, many of these dealers were their friends and financiers and as they came into Government, they just opened up the whole used-car industry. We warned them. We told the Hon. Minister of Finance—I am sure he would recall—that he ought to put certain mechanisms and machinery in place first so that this market could be regulated, but without listening to us, he opened it up. Now the thing has developed to such an extent, thousands of families are now earning a livelihood from this industry.

In today's newspapers there are big headlines about fraud. There may be some bad eggs, I am not saying no, but many of them are people making an honest livelihood from this industry, and now their family savings are in jeopardy. Why? Because all of a sudden, they come, and instead of trying to regulate the industry, they just put a spoke in the wheel that is likely to kill the industry. They have used the used-car dealers and now they are just abusing them and discarding them. Hon. Minister of Finance, I am asking you on behalf of the used-car dealers to please see what assistance you could give in terms of a moratorium or what have you, so that these people can make proper transitory arrangements, and instead of killing the industry, see what can be done.

The Hon. Minister of Works and Transport talked about fraud and the licensing problems and tampering with engine numbers. That is a matter that has been going on for a long time; not just with the used-car industry. I know for a fact, because I have dealt with cases in the court concerning these matters. There has been a problem at the Licensing Division with the tampering of hard copies of ownership. That is why the former Minister of Works and Transport had set up a unit with police officers, fraud squad people who were there to monitor the system. Lo and behold yesterday, the Minister was making statements to the press that in the last two months, they have put this unit in place. That was since before 1995 and the problem is that he has not been working the system.

He spoke year after year about computerization. Where are the computers? Just recently, I went and spent hours upon hours in long lines at the licensing office. There is still the problem with lines at the licensing office, and the changes that are supposed to be taking place are not. Why? Because the Minister is busy going all over the country with his "Plan B" instead of running his Ministry efficiently. Do not even mention the airport! A next hole in the ship! The Minister of Works and Transport, amongst others, has to be held responsible for misleading this nation.

Yesterday, I believe the matter was raised in this Parliament, and I hope that some account and reporting would be given to this country in terms of the fact that it was under this Minister of Works and Transport that certain Cabinet notes were put forward that would have ensured that the contracts for the construction of that airport go to a particular company. We know what company it is. It is friends and financiers of the party, yet they are quick to say that NIPDEC awarded the contract, but when the note went to Cabinet, who headed that committee? Is it not the Minister of Finance? I do not know. Please tell us. And lo and behold, a

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recommendation went to the Cabinet, and next thing we know, a contract is awarded to the boys.

Mr. President, it is really worrisome. These are matters that will have a significant impact on our economy, especially in these times where we are heading into turbulent waters, and we need to have good governance and good fiscal discipline and transparency in what is going on. When the Minister of Works and Transport was confronted with the issue, he just brushed it aside, but he is part and parcel of the whole thing, notwithstanding the allegations made in the Deyalsingh Report. I am sure it is quoted here already, but the information is there in terms of the actual Cabinet note and the Minute. What is worse is that I am hearing that the same company that had a contract that submitted inflated invoices for the maximum security prison is the same company getting a contract with that airport.

I move on to Tobago. I want to compliment my colleague, Sen. Alfred, for her contribution. We have to ask, why did Pamela Nicholson resign from the Cabinet? I heard an extract from a contribution where she talked about the regulations that were forwarded to Cabinet two years now. Where are they? What is happening?

We have also been hearing much about domestic violence, and every year we ask this Government about the setting up of the Family Court. The Attorney General said it is not just a building. We know that. When we were talking about the Family Court, we were also talking about a whole host of support services that will be required, and this is the issue here with domestic violence matters. We need to have proper support systems in place, and we want to know what is going on with that. On health care, we know what is happening. Two people in the area where I come from died mysteriously over the last two weeks with this bacteria. We want the Minister of Health to look into that.

As I wind up my contribution, it is character that counts in a nation as in a man, but more and more, one cannot help but feel that judgment day is really near to us. I am just cautioning this UNC Government: judgment day is around the corner. They say in the last of times that there will be signs: villains in the society will be deemed to be heroes, and that is exactly what is happening. Just two weeks ago, 200,000 people almost suffered in silence with the flooding issue. I just have to wonder whether these are the signs or whether cosmic forces are operating. All I ask and urge the Hon. Minister is for all of us to come together so that we can continue to aspire to achieve national greatness in this country. *[Desk thumping]*

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Reeza Mohammed): Mr. President, I rise to make a short intervention in this debate in the Senate. I begin my contribution by stating from the outset that I do not propose to repeat what I said in my contribution in the other place but, in fact, to respond to some of the concerns expressed by Members of this Senate. In response to Sen. Mohammed, there is not much to respond to. It went on and on, and we heard several speakers from the Independent Benches, as well as from the Opposition Benches, and their contributions focussed basically on the same issues and, in particular, the contribution which I made to the budget in the other place on the Ministry of Agriculture, Land and Marine Resources and the agricultural sector.

Let me begin by focussing a little on the concerns expressed by Sen. Prof. Kenny, and this will also impinge on some of the concerns expressed by other speakers on that side, in the context of my publication of my budget presentation in the newspapers. Every year after the budget presentation, one hears concerns expressed by the farming community about what is there for agriculture—“We have not heard anything concerning agriculture. We thought that this time around, in light of the fact that we have developed new policies for the agricultural sector, inclusive of a new agricultural incentives programme—and I will elaborate a little more on that as I proceed—it was fitting to inform the citizens of this country, as is my responsibility as Minister of Agriculture, Land and Marine Resources, to report on the performance of the Ministry of Agriculture, Land and Marine Resources and the performance of the sector, and to inform the citizenry of this country of what is proposed under the Public Sector Investment Programme, 1998/1999.

That having been my responsibility, and knowing that the farmers out there need to know about the contribution made by the Hon. Minister, it is a fallacy to consider this as promoting the Minister *per se* as was indicated by Sen. Prof. Kenny. I will tell you why.

10.00 p.m.

I ask the question in this Senate: what is wrong with using public funds to inform the public? There are votes under the Ministry of Agriculture, Land and Marine Resources for the purpose of public information. It is public funding out of those votes which was used to inform the public of what was going on, what was taking place in the Ministry of Agriculture, Land and Marine Resources by way of my presentation, as well as what is proposed in the 1998/1999 Public Sector Investment Programme for the Ministry.

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To go further than that, Mr. President, and to ask Prof. Kenny, through you, that as a Professor at the University, it was his responsibility to generate information and he took the liberty to publish the information generated out of his research in scientific journals and to point out to this honourable Senate the importance of information. Information, like knowledge, is of absolutely no use to anyone unless it is shared. This was the medium of sharing with the citizenry of this country, the information generated by way of the performance of the Ministry and the performance—

Mr. President: Sen. Mohammed, would you please allow the Minister to speak.

Dr. The Hon. R. Mohammed: Thank you very much Mr. President. I expect the lady Senator to behave in that fashion. What I am saying reminds me very clearly of a quotation by, if I recall, Theodore Roosevelt. Her quotation reminds me very much of myself, Sir. It is disturbing to her, so she will continue to disturb.

Nonetheless, I was saying, we have a responsibility as a Government to report to the citizens of this country. If the technocrats in the Ministry of Agriculture, Land and Marine Resources found that medium convenient to convey that message to the citizenry of this country, then, that was the position taken. So that information was put out there for all to see, that information had to be conveyed and this was the medium used.

To answer the question raised by the hon. Senator as to how much it cost, I have not a clue. I do not have a clue as to the cost. But, I would advise the hon. lady Senator to pick up the phone and call the Permanent Secretary in the Ministry and find out how much it cost, better yet she can call the newspaper. My position, as Minister responsible for that sector, is to inform the public of the performance of the Ministry and, by extension, the sector.

Concerns were also expressed by Sen. Jagmohan on the issue of the Canadian Farm Programme. Mr. President, I observed in today's *Newsday* that Sen. Jagmohan made a comment to the effect that people were being screened in the constituency of Princes Town for the Canadian Farming Programme. I want to say very clearly to this honourable Senate that Members of Parliament in their respective constituencies are required to provide information to their constituents when their constituents need to know about certain matters. Unfortunately, Sen. Jagmohan may never have had the opportunity to be a parliamentary representative of a constituency.

I can speak of the constituency of Princes Town and to say that my constituents, the people whom I represent as their parliamentary representative, know where they can find me, they turn up at my house at five o'clock in the morning when there is an emergency, I treat with them, they know my office days either Tuesdays and/or Saturdays, when they come to the constituency office they get information as they require. They seek my assistance, they seek my advice as their parliamentary representative and I provide them with answers, Mr. President.

So to make a statement to the effect that a screening process took place at the constituency office in Princes Town for the selection of farmers to go on the Canadian Farming Programme is totally misleading. Sen. Jagmohan should know very well that there are eligibility criteria set out in the Ministry of Labour and Co-operatives by way of a selection process, and if my constituents need advice on how to access the information and how to go about getting the information from the Ministry of Labour and Co-operatives, it is my responsibility and my duty as Member of Parliament for Princes Town to give that information to my constituents. Unfortunately he is not here in the Senate at this point in time, but I want to make it very clear to Sen. Jagmohan that when my constituents come to me for advice, I give them the advice to the best of my ability and there was no screening process taking place to select individuals for that Canadian Farming Programme.

Sen. Prof. Spence, Sen. Mohammed and I am not certain whether Sen. Prof. Kenny, but equally, Prof. Ramchand, spoke on the issue of Caroni (1975) Limited. You know, Sen. Mohammed continues to speak about the Tripartite Agreement which was signed in 1992 and she continues to allege that this Government has faltered—if I understood her correctly—in treating with the implementation of the Tripartite Agreement.

I would like this honourable Senate to know that under that agreement, the then PNM Government was required to provide capital investment of \$45 million in 1993, and capital investment of \$45 million in 1994 under the Tripartite Agreement, signed by that government, the union and the company; a total of \$90 million over that two-year period to Caroni (1975) Limited as part of the Tripartite Agreement. You know what happened? Not a single cent of that \$90 million, as agreed to in the Tripartite Agreement by that Government, was provided to Caroni (1975) Limited. Here it is, tonight, as late as it is, the lady Senator stands up there and tries to get political mileage out of it, when they failed. It is a question of failure! They agreed to provide \$90 million over that two-year period, 1993 and

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1994, and none was provided! How did they expect the company to move forward under the Tripartite Agreement? How? That was the easy part of it. They wrote it off as a book transaction. So do not come here and pretend and accuse this Government of not doing what it is supposed to be doing with respect to Caroni (1975) Limited.

I want to even go further, Mr. President, and to refer to and repeat what I said in the other place on Caroni (1975) Limited. It is there in the publication. I said, and I quote:

"The Board of Directors of Caroni (1975) Ltd. has proposed..."

It is a proposal that is being dealt with at the Cabinet presently. It is not *a fait accompli*, it is a proposal that is being deliberated at Cabinet level and by a ministerial committee. It continues:

"...a transformation plan aimed at making Caroni (1975) Ltd. viable and profitable and by extension less dependent on the Treasury."

Because the former regime continues to complain that Caroni continues to depend on the Treasury, one of the objectives of the Tripartite Agreement was to relieve the burden on the Treasury by Caroni (1975) Limited. But if they had put in the funding as agreed to, the \$90 million, it would have gone a long way into divorcing Caroni (1975) Limited from its dependence on the Treasury. I continue:

"It is a fact, Mr. Speaker, that the present structure of Caroni (1975) Ltd. does not lend itself to effective and efficient management. It is imperative therefore, that two things must be done.

Firstly, the company has to be restructured and secondly, management systems must be developed in keeping with that new structure.

...the proposal seeks to restructure Caroni (1975) Ltd. into several companies, each with its own cost/profit centre. This concept is expected to be the most economical and efficient arrangement for Caroni (1975) Ltd, where the Company separates its operations into a number of distinct business entities..."

Again, this is all a proposal at this stage.

"...in order to optimize managerial and operational efficiencies thereby increasing viability and profitability.

In an effort to address this matter expeditiously, a Ministerial Committee appointed by Cabinet has been mandated to submit a report to Cabinet..."

The important thing here, Mr. President, and we must all understand this, is the enormous size of Caroni (1975) Limited. The Tripartite Agreement—if the hon. lady Senator understood what the Tripartite Agreement is all about—is to do precisely what we are doing now to make the company more viable. It has to be done. The enormous size of the company, because of the fact that there is a central agency dealing with all the financial matters of Caroni (1975) Limited and the level of corruption that is presently taking place, which is not new, and which we have tried as far as possible, since we came into Government to reduce, so that what is being proposed is in keeping with the Tripartite Agreement. The company has to be broken up. It is too large the way it is presently structured.

So that the proposal is to make that company into smaller components with cost/profit centres so that we can have better control on the financial and managerial aspects of the company. That is about the only way we can divorce the dependency of Caroni (1975) Limited from the Treasury. I was saying therefore, that given the enormous size of Caroni (1975) Limited, it is recognized that this approach will assist in achieving the overall goal of economic viability for the company, and that this Government is cognizant of the need to ensure that all stakeholders, and this is very important, be part of the transformation process. The Government has mandated that the board of directors initiate discussions with all parties concerned.

Now I hear a lot of talk about the land belonging to Caroni (1975) Limited. I want to make it very clear that it is the policy of this Government, that no land belonging to Caroni (1975) Limited is to be sold. It is state enterprise land and it is the policy of this Government, our policy, that wherever divestment is to take place with respect to the land of Caroni (1975) Limited, this will be done on a lease basis. The land of Caroni (1975) Limited, state enterprise land, does not belong to the Government, it does not belong to Caroni, it belongs to the citizens of this country. [*Desk thumping*] We have to understand that.

One of the institutions, the subsidiaries that will be set up by way of the proposal is the Land Development Company. But I want to go even further and to point out, and I am sure that Prof. Spence will agree with me, as he has already done, that only the agriculturally unproductive land of Caroni (1975) Limited—and we know where this land is located because of the very geological nature of the soils in those areas—will be considered under the Land Holding Company for

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divestment. We have absolutely no intention of using agriculturally productive lands in Caroni (1975) Limited for establishing light industry or heavy industry.

10.15 p.m.

A lot of the citizens of this country may not understand that not every square inch or square foot of land in Trinidad and Tobago is arable. That is to say, it is not every square inch or square foot of land in this country that we can produce food on. We have certain areas because of the very soil type from a physical and chemical standpoint which can be considered as productive lands for the purpose of producing food.

Mr. President, I think it was in the late 1970s or early 1980s that a land capability study was done in this country. What may have changed since that time is the fact that certain parcels of land which could have been and should have been used for agricultural production went into housing. That was very, very unfortunate. That was done by the former PNM government.

Valsayn has some of the richest alluvial soils in this country because as you go east from Aranguez it is a continuation of that soil type. In spite of the fact that a land capability study was initiated and completed by the PNM government, certain policy decisions were taken whereby those productive agricultural lands were put into housing.

I can go further, Mr. President. The poorest soil types in this country—our Piarco fine sands which are acidic in nature and which are sitting under four feet of soil, if so much; a hardpan where there is lateral drainage, was allocated for dairy farming—they were planners—in spite of the fact that they had a land capability study. Now they try to put all of the blame on this Government. What can be more pathetic? We have come into Government. For agriculture there was a White Paper. We looked at the White Paper and identified those things which were in keeping with the philosophy of this Government, and discarded those things which were not. We built new policies to replace those we discarded and we continued from there.

It makes absolutely no sense when a new government comes into office to put aside everything that was done by the former government and start planning again. You would spend five years planning and when the time comes to implement you

are out of office. It happened and it is not going to happen to this Government. We have very clear manifestations out of the performance of the agricultural sector.

Everyone will sit in this Senate on that side and they will only look at the bad things coming out of the agricultural sector and it is my responsibility and duty. That is why this document was published in the newspaper because there are more good things coming out of the agricultural sector than the bad things which they highlight. That is why it is there for all to see.

I want to make it absolutely clear to those sitting on that side that the Minister of Agriculture, Land and Marine Resources did not make up those figures and wherever there is a figure in this document there is a reference from where it came. The figures in the hon. Minister of Finance's budget presentation were informed by information provided by the Central Statistical Office. That is the institution which gathers information, fits statistical models to the information, completes the statistical analyses and draws conclusions. Every figure in the document presented in the newspaper by way of my budget presentation is informed by a reference, the latest being the quarterly report, June 1998; both the Central Bank Quarterly Report and Central Statistical Office Bulletin. The point I am making is that one cannot put a dollar value to information. I hear sniggers coming from that side. Can you put a cost to information and knowledge? That is the most powerful tool in this world and they know that.

Mr. President, the policies of this Government for the agricultural sector and the economic indicators coming out continue to focus on the performance of those subsectors which may not have done so well during 1998, for whatever reasons, be it El Niño or La Niña as they continue to use interchangeably, I made it absolutely clear as indicated in the Central Statistical Office Quarterly Report, June 1998 that when we compare the food import bill over the period January to June, 1997 with that over the same period for 1998, because of the policies of this Government and the performance of the agriculturists and farmers, we have been able to reduce the food import bill by 3 per cent. Mr. President, our food import bill is still high but to achieve a 3 per cent reduction is a major achievement. Which other government has done that? I can go on and on.

I will touch on one other matter which I referred to in my presentation. The question of the hibiscus pink mealy bug. *[Interruption]* Yes, I will give the positives because they continue in their negative paradigm to highlight the poor things. It is my responsibility to highlight the positive things. That I will do and I will speak about the hibiscus pink mealy bug irrespective of the hour.

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When we came into Government in November, 1995 this country was being ravaged by the hibiscus pink mealy bug. Do you know where it was first identified, Mr. President? It was identified in the constituency of Diego Martin West in Carenage. Do you know who was the then Minister of Agriculture and do you know for which constituency he was MP? Let me remind you; Diego Martin West, former Minister of Agriculture. The protocol that was developed under his watch: spray, cut and burn resulted in so many people in this country losing their bearing fruit trees. Beautiful fruit trees which were bearing fruit had to be sprayed, cut and burnt. That was the protocol I came into office and met. I will not speak about the spray programmes and the fact that the then minister went to the Cabinet and got approval for \$1 million to award contracts for spraying.

Mr. President, if you look at those companies which were awarded contracts for spraying you would begin to wonder seriously who is corrupt and who is not corrupt because there were so many bogus spray companies which sprung up when Cabinet approved \$1 million for that fallacious spray, cut and burn protocol and so many of them got spray contracts and certain people's bank accounts grew because of that.

What did we as a Government do? Knowing what had happened in Grenada and some of the other Caricom member states with this same hibiscus pink mealy bug, we took a positive course of action. On December 19, 1995, just days after coming into office, being appointed by the Prime Minister and the President as Minister of Agriculture, Land and Marine Resources, I called all concerned—

Mr. President: Sen. Shabazz, the press have advised me that your consistent mumblings prevents them from hearing the contributions and I would respectfully request that you cease your continued mumblings.

Dr. The Hon. R. Mohammed: Thank you, Mr. President. Since I am on the subject of the hibiscus pink mealy bug I would like to advise this House that the sound the hibiscus pink mealy bug makes is described as mumbling as well.

Nonetheless, December 19, 1995 I got together all the people involved in the spray, cut and burn protocol in one room and I immediately changed the policy. I drove the control and the containment of the mealy bug in the direction of an integrated pest management programme, which involved the use of bio-pesticides. Two were beetles; one came from India and the other came from Australia, in addition to a Chinese wasp. We established propagation centres where we grew

populations of these bio-pesticides and developed a comprehensive programme of release and monitoring.

We have reached the stage, as I have stated, where we are now constrained to growing the mealy bug pest at the multiplication centre so that we can continue to multiply the bio-pesticides. The reason for this is that we have done so remarkably well that there is a total absence of the hibiscus pink mealy bug. *[Desk thumping]*

The Senator can continue to highlight the negatives, I will highlight the positives on behalf of my Government. As long as they continue to remain in that kind of negative paradigm they will continue to sit on that side. *[Desk thumping]* That applies to all of them and I make no apologies for it. That is why I am able to say that the quotation from Theodore Roosevelt reminds me of myself, and I will go further to say that it reminds me of my colleague, the hon. Minister of Finance. I am not speaking here of the Minister of Finance, Sen. Danny Montano. I am speaking of the hon. Minister of Finance, Brian Kuei Tung.

Mr. President, I am about to complete. My little input here has set in train the contribution and wind up by my hon. colleague, the Minister of Finance, Brian Kuei Tung.

Thank you, Mr. President. *[Desk thumping]*

10.30 p.m.

Sen. Nathaniel Moore: Mr. President, I am thinking about where I begin. The question is not where, but how? Before I begin with anything for myself as such, I remind us that Sen. Dr. Mc Kenzie is not here. She may be on her way home from New Zealand, or is preparing to leave New Zealand to be here. But, before she left, she asked me to mention and to emphasize her gratefulness to the Minister of Finance for taking into consideration, in a very serious way, suggestions she has been making for a long time for assistance on behalf of the older folks in our community. She was not disappointed and I want the Minister to know, Mr. President, that Sen. Dr. Mc Kenzie is eternally grateful for the gesture which resulted in the provision of increased pensions for the old.

There was one other Senator whom I heard mention it—Sen. Cabrera—who drew attention to the fact that not only was the pension increased by \$100, but also the eligibility criteria were improved in that the ceiling was raised. That is one point Sen. Dr. Mc Kenzie made all the time.

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I remember being with her one evening when she was discussing with an aged person whom she told, "Remember, if you earn beyond so and so, you will not get it." It gave me the impression that that person was in touch with her over time about this pension. I want to say she was really impressed and I would be failing in my duty if I did not indicate to the Senate that she was so grateful about this particular measure.

Almost everybody I have listened to thus far was happy about the measure. There are a few people who think it is an illusion, but half a loaf is better than none and I am sure the thousands of additional people who come under this net would be very grateful for the provision, as are the parents who have hopes that their children will be exposed to some of the more recent technological advances in education by way of knowledge of the computer, or even of computer literacy; even as the sick people who would benefit from the reduced cost of medicine; or people who had parts of their bodies amputated because of accidents and other similar incidents, would be grateful for the facility they will receive of getting artificial limbs at reduced costs.

To summarize it all, we are quite sure there are many people who are grateful for these provisions in the budget and I know that when we have these kinds of debates—more so in another House than in this one, but it is happening here now—that we have this rivalry and this claim and counterclaim. I do not want to say much about that because I said it here already.

I remember once I did say that it might have been a good thing that the idea of Independent Senators came into our Senate, because I want to say that frankly I have been very much impressed by the contributions made by the Independent Senators, not that the other Senators do not make good contributions; they do. But, I want to be fair and I have been terribly impressed, but I guess the Senators have a right to impress us, because their work here is really not to take sides in anything, but to give their view professionally or otherwise as they understand it and see it, and I think our Parliament will be a little richer for this kind of arrangement.

I must join with all Senators in this Senate and people elsewhere who have commended the Minister of Finance for coming up with this budget which offers so much to so many people. We know that it is not perfect because if it were perfect, then we would not need it and we would not be here to look forward to

some of these measures. But, as I said before, we are grateful for the improvement that we have had.

I do not expect to say very much more on the virtues of details of the budget as such because I think this has been exhausted by the 29 or 30 speakers who went before. My position reminds me of my school days when I was teaching with my fellow teachers. At lunch time, we played dominoes and there seemed to have been some kind of advantage in being able to “grind”. We called the shuffling of the sticks “grinding”—that was our language. In our local circles, it was a kind of punishment, that if you did not win the game, you “grind” and so there were “grinders”. But, when I met with my fellow teachers, it was a privilege to “grind”.

Some of the sticks began to get marks and the fellow who “ground” the stick, or “grinds”, would make a choice of a stick he recognized from behind, but a fellow who wanted to thwart that would say, “I want a pre”, that was to say, a “pre-grinding”. He would take a “grinding” before the other fellow to be sure that he got a good mix up. I find myself in the position of the pre, because I think after me the Minister would sum up, so I am just the “pre-grinder”.

Mr. President, somehow I want to work myself in because I want you to appreciate that I am in a kind of peculiar situation, not very much unlike the situation of Sen. Agnes Williams. I admired her last night how she steered the discourse and discussion and made a very wonderful contribution in this debate. I am wondering if I could emulate her to a great deal and incur the wrath of Sen. Shabazz and, of course, do the best I can in this situation.

But, think about the dilemma in which we are.

Hon. Senator: You are muzzled.

Sen. N. Moore: No, we are not muzzled. I have heard a number of people with that talk last year about our being muzzled and so forth. Our situation is kind of peculiar in that—in fact, I am not saying what. This is the reason I tend to say when we were discussing the Tobago House of Assembly Act and the amendment to the Constitution, which accommodated the establishment of the Tobago House of Assembly, the NAR—that is to say, the junior coalition partner in this Government—advocated that there should be two Senators named by the House of Assembly, recommended and appointed by the President, from the majority party in the Assembly and one Senator from the minority grouping in the assembly. The virtue of that is, really, apart from that arrangement, we cannot guarantee that there is anybody to speak for Tobago, or for the Tobago House of Assembly.

Apart from that, we depended upon the goodwill of the parties to appoint somebody from Tobago to speak on behalf of Tobago, or to appoint somebody from elsewhere to speak on behalf of Tobago. Unfortunately, that did not happen and we are still waiting for the time when we will get, under law, the provision of three Senators by right for Tobago, so that when we come here to speak, it is clearly understood that we are speaking on behalf of Tobago.

Now, as to who caused it. At the very last town meeting that Sen. Rev. Teelucksingh referred to, in Tobago, people were voicing opinions as to who was at fault for not having the constitutional arrangement worked out. I do not have very much to say on that right now. I am sure the time will come when we will speak about that. In fact, in Tobago in the next few weeks, we will have much to say about that on the field I can assure people, but not much about that now.

Suffice it to say that the arrangement has not yet worked and we are looking forward to it, on the advice of Sen. Rev. Teelucksingh, that Tobago deserves internal self-government and it must be worked out well before the turn of the millenium. I agree with him and that is one of our hopes.

So, understand that when we speak here, we are from Tobago and I really do not want to take sides as such, but much of what I say this evening will reflect some of the concerns in Tobago and some of the ideas in the heads of people who are running the show in the Tobago House of Assembly. As such, I want that to be understood from the start when I begin to speak.

As Senators from Tobago, we know what the people say on the streets all the time; we know what are the aspirations of the people; we know what they have said about this budget for that matter, quite apart from what was said at the so-called town meeting; we know what was said; and we know what are the expectations of Tobago as a whole where we are concerned.

They asked us to be here and we know what they expect of us, especially in the light of the very good deed we did—I make no apology for that—in November 1995 when we resolved a very potent problem in the country. We do not know what could have happened if it were not for the way in which the problem was resolved because we remember the talks that were going around and so forth. Some people were unhappy about the way we did it, but that was the best way we thought we could have done it at the time and we thought it was necessary for us to do it for the sake of the nation. I tell you that Tobago would come very often again and, at very crucial times, toward saving this nation.

I am not a prophet as such in the sense, but I am seeing in my mind's eye from my few years of experience, that the time will surely come when Tobago will save this nation and, for this reason, I am asking us to take that seriously and do all in our power to have the kind of relationship existing between the two islands so that when the time comes, there will be no fear and we could surely look forward to our saving action.

10.45 p.m.

Mr. President, this situation caused me to remember two texts in the *Bible*: one from the Old Testament and the other from the New Testament. One may notice, I talk a lot about the *Bible* because I was brought up reading it as a story book and I loved it as a little boy; all those stories about David and the rest of them, killing one another and so forth. I do not know why young fellows now must like these stories about wars, conquests and so forth.

I remember a story about Esther. I cannot now remember who was the oppressing power, but the Jews were in captivity and this fellow, Haman, was one of the nobles. In fact, Haman was over the king's business and he did not seem to have liked the Jews and made a plot to kill them. The news of this plot came to the queen, Esther, who was of a Jewish background. In those days women were less fortunate than now so although she was the queen, if she had gone in to the king and was not received by him it would be death for her.

Modecai, who I think was her uncle, was begging Esther to go to the king and intercede on behalf of the Jews to save them because their nation was threatened. So, she vacillated and Modecai, told her, "You had better go in to the king on our behalf because if you do not we would be in peril and if I know God as he is, then enlargement would come to the Jews from a different place. So, if you do not do it, it will happen but somebody else will come." That is one of the lessons we are learning from our experience in politics and I got it from the *Bible*.

The other story, Mr. President, is this. In fact, I can finish the story that the queen went in to the king, he accepted her and the nation was saved. However, poor Haman, who had built the gallows to destroy the Jews got himself hung on it. That, also, is a lesson. Think about it.

Now, the other story is from the New Testament, Luke 24, which is a simpler one. Two men were walking on the way—this was after the death and burial of Jesus—and they were worried in their talk. While they were walking and talking a third person came up from behind them and joined in the talk. This fellow heard

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them talking in a kind of grievous manner and asked, “What are you talking about and are so worried?”. One of the men said, “What? You are the only person in this place who does not know what is happening these days. There is a fellow called Jesus whom they killed and now we are all worried? The big thing about it is that we had hoped he was the man who came to deliver Israel but now he is dead”. This is my other story from which I want us to learn lessons. The man who was to deliver Israel is dead, they thought, but in actual fact, he was not dead. He was the very man who was speaking to them. Pardon me for taking time off to review these lessons, but I am an old teacher and I just like it.

Mr. President, now, I come to Tobago. I am making no bones because what I would speak on is mainly about Tobago as I said. To put it briefly, Tobago came from the plantation system like the rest of the Caribbean and what we had after emancipation was a system where we had a lot of tradesmen—fishermen, small farmers and businessmen and estate labourers. Then, there were the plantation or estate owners who came over and were existing with the estates as we called them.

Now the fishermen provided fish for the local market but most fishermen provided fish for their homes. It was exactly so with the farmers, that basically they produced for their homes, but the surplus would go to the local market and the tradesmen, carpenters and so forth, built their houses. I remember joining with my father in building a house. I am very old you know. I joined with my father in building a house. I helped to extend it and so we know that was the tradition in the area. Other men had their trades. My uncle was the real carpenter and built the houses and there were several men like that. The men would then build the beds and other furniture and so forth for the houses. The tailors would make the clothes for their families and other people for a fee and the shoemakers—my father was a shoemaker as well—would make shoes.

As boys, we learnt from the other fellows and made our own toys. We did not have the luxury of buying toys. We had to make toys. We had to make our trolleys, carts and other gadgets to enjoy ourselves, and we did enjoy ourselves. We did not have time for the kind of evils that exist today because we were employed in providing comforts and amenities to make ourselves happy, and we succeeded to a great extent. We made the tools as well.

On the estates there were labourers working because those estates were the main producers of coconuts and cocoa. These labourers also had plots elsewhere and grew the crops which I spoke about. Clearly, what happened to Tobago at that time, up to the early 1950s or so, is that there were all these tradesmen, small

businessmen—in fact, I did not speak about the roving businessmen who walked and sold their things. The tinsmith walked with his tools in a bag and went to every village and asked, “What do you have to stop up?” He would also put handles on the tin cups and so forth. That is what we had in those days. That is the kind of economy we had, mainly subsistence. That is what we know in Tobago. I believe the same thing happened here.

Mr. President, as I said production was mainly subsistence, but there was some bit of marketing, especially from the plantations, which were called estates. This happened until the 1950s and 1960s when there were a series of incidents that changed the situation. I would refer to only two of those incidents which changed the situation: firstly, the advent of party politics and, secondly, Hurricane Flora on September 30, 1963. I would not forget the date because my first daughter was one month old at the time.

Now, what were the changes we had? With the advent of Flora the crops were destroyed. The forest were also destroyed so the birds that lived there were destroyed or could not find their food from the forest now so they went out to the villages where people had already started to re-establish crops and so forth and fed on the crops that were planted for ourselves.

10.55 p.m.

So it took a short time for the Cocrico, parrots, and others to be pests. At present, the parrot is the biggest pest in Tobago to the farmers. They would not be able to get their cocoa. Food production dwindled and there was no serious plan for the rehabilitation of food production. I did not say there was no plan. In my view, it was not serious. I was an adult at the time and I knew what was happening. I walked a long way to Charlotteville and I saw what was happening. I was lucky to be in the company of an agriculturist who was sent there to survey and make recommendations for the rehabilitation of the area some days after the hurricane.

The other thing was the advent of party politics with the PNM in Government. They acquired some of the estates there, and most of them were left abandoned. DEWD, that is, Special Works came in and that helped to destroy the village trades because the people now left there—they did not have much to do because of the physical problems. There was this DEWD affair and everybody ran into it. People who were working on the estates abandoned them because they got more money from DEWD for less.

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Let us face it. I see it happening up to today. The people go to work and their names would be on the list, they would go and lime on the job or in some place for a time and they would get a handsome pay in relation to those who work. A big jealousy stepped in between the DEWD people and the regular Ministry of Works people. The regular Ministry of Works people said if the DEWD workers were not working and getting the same pay, they would stop work, and they stopped work. Now, I find it is reversed. I do not know for here, but the regular workers now work less than the URP workers.

In the system now they are using the URP as a mechanism to train people and to improve the work ethic and to get productivity. But, the people who are in the regular Ministry of Works have status and they say that their union has done this to them and they cannot do this and that, and they do not work. Sorry to have gone off so long on the DEWD but that is how the situation is.

There were some small hotels like the Blue Haven and Della Mira and some others. They thrived for a while but they went off too, because of lack of infrastructure. We did not have water or roads.

People who visit Tobago now will see the roads are fairly all right although they are narrow, but they are not so bad.

Secondary education was offered to everybody and people went for it. I remember when I went to teach in a certain secondary school in Tobago I met young boys who could not read and I watched them in Form V doing exams. They would write some things that none of us would understand. It was neither Chinese nor English nor anything else. I did not know if those who wrote it could have read it either but they did exams with the rest.

It happened and there was much unemployment. There was no large private sector as such in Tobago. Up to now there is no large private sector dealing with production. In fact, it is almost as bad as some times in the past when I was a young man. There was a little soft drink factory, fiber factory, a few other small firms in Tobago. Today there are still not many of them.

Like today, there was a small private sector—in those days there were few public sector workers as well, teachers, a few woodworkers and civil servants. Today, the public sector is a little larger than the private sector as such. It happened that the 1970s came and there were some problems and after that the oil boom. I will read exactly as I wrote it. “We hardly benefited from the oil boom”:

That is, we in Tobago. In fact, little used to be given to Tobago in those days with the status we had. Tobago's allocation was in the order of between 1 to 4 per cent of the national budget. We had a few things, a road a public building put down, a ship bought. The Canadians gave us some time, but we bought. Plenty, plenty promises and that is what we got. So, in the late 1970s we thought we had enough and we asked for internal self-government. There are other things but I cannot say everything.

When we asked for that, some people got vexed and they did some wrong things but what we got was the Tobago House of Assembly Act 37 of 1980 and it gave us the old Tobago House of Assembly as we knew it. That was replaced in 1996 under this Government by the new Tobago House of Assembly, I will call it, under Act 40 of 1996.

I mentioned so many problems we had, and I assure you that those problems are not all resolved. There are still many problems. In the Tobago House of Assembly Act 40 of 1996 at Part IV, it sets out the guidelines for budgeting procedures and the allocation for Tobago.

Section 41—and I do not want to take the time to read the Act. I have the Constitution (Amendment) and the Tobago House of Assembly Act.

Section 41 provides that the secretary for finance make and submit draft estimates to the THA for its approval. When approved they would be submitted to Cabinet. That is the provision of the law.

Section 43 of the Act provides that Cabinet be fair to Tobago in its allocation and the Act explained what is meant by "being fair" and I am tempted to read:

"In considering the estimates as submitted by the Chief Secretary Cabinet shall give due consideration to the financial and developmental needs of Tobago in the context of Trinidad and Tobago and it shall allocate financial resources to Tobago as fairly as is practicable and to determine what is fair and practicable the following considerations among others shall apply:

- (a) physical separation of Tobago by sea from Trinidad and Tobago's distinct identity;
- (b) isolation from the principal national growth centres;
- (c) absence of the multiplier effect of expenditures and investments (private and public) made in Trinidad;
- (d) restricted opportunities for employment and career fulfillment;
- (e). the impracticability of participation by residents of Tobago in the major educational, cultural and sporting facilities located in Trinidad."

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Mr. President, I do not have time to emphasize why these were put in. These came from practical experience and not from dreams of anybody who lives there. It is not a boast, but I lived through all the time of our fight for internal self-government for Tobago. I know most of the circumstances which led to this kind of thought and we tried to advise that these were some of the things that were important to take into consideration when one is giving allocation to Tobago in one's budget. I want us to remember that.

I am not chiding anyone. I am just giving some information. I have discovered that even though we passed the Bill about two years ago, many of us do not remember what is there.

11.05 p.m.

Sections 45 and 46 of the Act set out the procedure for accounting to Cabinet and the Auditor General, by the Tobago House of Assembly. Tobago itself has gone further in this accountability situation. It has instituted its own PAC under the chairmanship of the minority Councillor in the House. In accordance with the law, the THA has already received the report. It has been okayed in the Assembly and the documents have been given to the leader of the PAC and his team. The system of accountability as asked for in the Act is actively being pursued by the Assembly and its agencies.

Following on that, the Secretary for Finance in the Tobago House of Assembly prepared his estimates. They were approved by the Tobago House of Assembly and submitted to Cabinet, in keeping with the law. I will give an idea of what has happened. The Assembly's estimates called for a recurrent expenditure of \$539.2 million and a development expenditure of \$459.217 million, a total of \$998,419,226. That was the dream of the Assembly.

These were submitted to Cabinet as required. Cabinet studied them and permitted the Minister to allocate \$315 million, or 58.5 per cent of the request of the Assembly; development was \$63.9 million or 13.9 per cent of the dreams of the Assembly, a total of \$379,308,000 or 38.3 per cent of the Assembly's estimates.

Now for those who do not know the facts, they may say that it is either that the Tobago House of Assembly is greedy, frivolous, unreasonable, megalomaniac or downright incompetent; or that the Minister of Finance is stingy, over-cautious, indifferent or downright incompetent. How then can their positions be so disparate? I do not think that anyone needs to come to such conclusions.

Perhaps the truth may lie somewhere outside all of those, but actually we can seek a solution to the situation. I think we can do that with all earnestness. One such solution lies in the resolve of the Minister of Finance to meet with the Executive Council of the THA to explore how loans and grants can be accessed to assist it in its development plan. There is no way, if one knows the situation, in which the allocation made to the Assembly, to the order of 6 per cent each time, can meet Tobago's demand under its development programme.

I tried to describe an economy which was really depressing Tobago; a kind of subsistence which existed until quite recently. There is no way that the allocation as made from year to year can make any change in the life of Tobago. We are destined to continue going as we are. Only we in Tobago would understand it to the fullest extent. As I said before, one has to wear the shoe to know where it is pricking. We in Tobago have worn the shoe and know where it is pricking. We say that there is no way that such allocations can bring Tobago out of where it is now. Something else has to be done.

I have done some economics with Sen. Dr. St. Cyr and others and I know that in times and in areas where there are special problems, we have to make special provisions. Tobago is a part of the country: an island by itself. I think that it needs special consideration. Even if it does not, I am sure that there are areas in Trinidad which need special consideration, and areas which are given special consideration.

In the light of this, there is no way that the allocations that are given normally, —and I do not mean now: I have seen it all from the time I knew myself. I knew PNM from the start, so I know what I am talking about. Some way must be found, if Tobago is to be developed, to finance Tobago. It is important that we finance Tobago because any part of one's country that is developed and in which there is true development and advancement, the whole country benefits.

Tobago is an island. We do not want people saying that if there is a stadium in Port of Spain, it is for Tobago, too. That is "ole" talk. We are asking for a stadium, a sports complex, an olympic-sized swimming pool, highways, public buildings, fishing facilities, airline connections, terminal buildings and ports, because we think we deserve them and the country deserves them. The country of Trinidad and Tobago deserves that these facilities go to Tobago.

If there is no way normal allocations can meet the situation, we have to resort to something else. In the light of this, I say that all of Tobago is happy as I heard the Minister express here that he will sit with the Assembly to work out ways and

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means by which it can access funds, whether loans or grants, to finance the development of Tobago for the benefit of this country. No more must we speak anything about this and that being for Tobago, because we are tired of this.

I am not happy to be speaking here about 6 per cent, or even 20 per cent of the budget for Tobago. I want the time to come when we in Tobago will not have to consider that we are begging; that we are being deprived, or that we are being solicitous in any way, or too dependent on the national purse.

11.15 p.m.

We want to be able to contribute to it and I want you all to know that Tobago has vision. Do not think that we are sitting there and waiting for the year to come and ask for a billion dollars when we are going to get a quarter of a billion or something less than that.

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

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

Question put and agreed to.

Sen. N. Moore: Thank you, hon. Senators, thank you Mr. President. I would like to comment on a few things which people have said. I am making the point that we in Tobago have a plan. We made a decision to establish a \$2 million plan a few years ago by which Tobago would be run. There is a vision and I want to tell you that there are competent persons in Tobago to make plans and I make no apology about this. In fact, I think one of the top boys who was a student of mine, of whom I am proud, is almost a wizard at this planning business. He is planning with the United Nations, Jamaica and for us. [*Desk thumping*] There are plans which he has provided for us to guide us. It is on the basis of these plans that we are making requests for allocations, not because we want to be rich or to show off on anybody. It is on the basis of those plans and our plans are to develop Tobago where it can contribute to the national well-being. What we are doing is not for Tobago, but for Trinidad and Tobago and so we want people to understand when these big requests are made which sound fantastic and megalomaniac it is because we want to share a part of the development of the country and we want to feel proud to know that we have contributed. [*Desk thumping*]

Mr. President, I would touch on some of the points of the various speakers. I cannot mention all, but I remember Sen. Montano saying that Tobago needs an

airport more than Trinidad does. I know we do need an airport. He talked about the big airlines coming from Europe and leaving the people outside. We are embarrassed about that because we know that is the same thing that happened to the hotels and our economy in the past, so we are trying.

We did not have infrastructure nor the communication to bring our guests and to keep them comfortable and so our hotel industry was destroyed some time ago. If we keep in the same vein and we bring people here when they are not well taken care of, they do not return. They tell their friends this is no place to go, it is nice but do not go because you will be very unhappy. We do not want that to happen because it is not a loss to Tobago alone, but a loss to the country.

We have done enough things to suffer loss and we do not want to do any more in Tobago to get more losses. Think of all the crimes we have down here. I am not saying we have gotten away because when I got a call from home I heard that a fellow killed a girl or something of the sort over there. Not that we are much better but I am saying we do not want to scare any other people who would help us to live comfortably. I agree with the Senator that we need it.

Sen. Rev. Teelucksingh said there is much fragmentation in Tobago, but I want to say there is fragmentation in Trinidad too and what seems to be fragmentation in Tobago may not be so much. If he is saying so from what he has seen of the Town Meeting he would be thoroughly misled. I want him to remember that it happens every election campaign time and especially the last one; all the grandiose projection and my friends in the press were making so many projections and making the outcome uncertain, but we who know what was going on when we got the message, we were not surprised, but you were, so I am telling you that fragmentation which you were seeing is a press fragmentation, a part of the thing. There is fragmentation all about because we had it here today in this exchange, but this is not the kind of fragmentation that is destructive.

I come to Sen. Shabazz. A dispute resolution Commission is not a court. You are saying Tobago has a dispute resolution—the dispute resolution has to do with budgetary arrangement. If you are not happy with budgetary arrangements we get this dispute resolution commission and make claims which are tried to be settled. But the court is doing its work and the Minister wants a second opinion and the one on which we rely and stand by is the courts. I do not think there is any great thing about it, I have heard people speaking about it as though it is a big thing, it is not. I agree if it could be avoided, it should be avoided because I said it in the last contribution which I made. I said we are big people and we have reason. Why do

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we want other people to settle our problems if we, who are concerned with the problem, could settle it? We should settle our problems and should not bring other people into it. That would be the preferable thing.

Many Senators spoke about accountability and I would touch on it before I leave. I mentioned already the steps for accountability, that April of each year the Secretary would make up his accounts for the previous year by giving account of what he spent and so forth and the report would be sent to the Tobago House of Assembly to be passed, and when it is passed by the Tobago House of Assembly it is submitted to Cabinet and then to the Auditor General. We have gone further to get our own public accounts committee and so forth. This is in accordance with the law. So I do not really understand when some of the people talk about accountability in the other place where people are saying—I do not want to read it because I do not have time—that the Tobago House of Assembly is spending without giving account and that kind of thing.

There are two things, one has to do with whether you are to be brought to heel for what you do or whether you follow the correct accounting procedures. People see the ritual of these, but the whole point is that the Tobago House of Assembly, according to laws, follow a certain line for accountability and I cannot fault them, my opinion is that they are doing it according to the law.

There is another idea I want to bring which is, they are spending on projects which are not okayed. I think it is the wrong thing for the Ministry of Finance to detail projects and put money against them. For instance, so much for Black Rock School, so much for Bon Accord Government. Do you know why? The law itself makes provision that if moneys are left over from one year it could be left into the fund and used on capital projects. It happens that some of these projects, when there is no allocation for the particular project, continue to be financed from the fund. If that same project is 99 per cent finished and it is earmarked for \$200,000 for its completion but you only need \$10,000, what happens to the rest of the money? I am saying that the Tobago House of Assembly is a creature of the Constitution. I do not want to say it is a powerless Government as such, it is subsidiary but it also has a lot of powers given to it. We give it, and we must allow it the discretion. There are level-headed, sane, competent people in Tobago just like here so they are not into squandermania. They have to account to Cabinet and the Auditor General. Give them a chance and let us hear what they have to say about what the Tobago House of Assembly has done.

So give the money according to law *en bloc* quarterly and let the Tobago House of Assembly account according to law so that it could use its discretion where it sees a priority. For instance, there are projects. There is a certain allocation and the project was not finished because all the allocation could not be given to finish the project and a certain amount was given to carry it a certain way and where the allocation has brought it is a critical position. If it is left there, all goes down until the next year when there is another allocation. They would have funds to use and carry the project to a stage where it would be finished. Discretion should be used, they are working for the people. Would you tell me that the Ministry of Finance would ask me why I spent that, and I must spend for only the specified project? We have the autonomy to do that, so please permit us.

There are other things which I would have liked to mention but time does not permit me and I hope we understand mainly what they are. I reaffirm my faith in the Tobago House of Assembly. There are some people out there who do not like some of them, they are either afraid of them or suspicious of them and there are people who also carry news to other people who should not listen to that news, and thus should not affect us. You should investigate for yourself and see what is happening.

If people in the Assembly have done wrong, then punish them accordingly but please give them a chance to administrate the people's business and run the place because their intention is to make Tobago a showpiece in the Caribbean and we want us here in Parliament to give them the help and power to do it because there are several other countries structured like ours and if we give them the chance and they succeed we would be an inspiration to those people. That is what we set about to do.

Sen. Shabazz said that the people in Laventille only ask him about URP, they do not ask about expenditure and other things. We in Tobago ask about everything in the town meetings because we are involved, and want to know about everything. That mentality of the special works has to be cut out and let us not cultivate that kind of mentality where people are running for things like 10-days. The people must have the mentality to ask about the PSIP, the computers and he should explain it carefully so that the people show an interest in their own affairs. That is what we are trying to do in Tobago.

We want the computers for Tobago. We want provision for tertiary education and a university campus there. We want to get trained men so we would not have to import them from Trinidad or elsewhere, we want them there because we want

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our people to be at the end of the production scale, we want them to be able to produce as well.

Mr. President, I am sorry that the time has run out because I was just gaining stride, perhaps it is by providence I happen to be last and I am hoping that I have been very fair to everybody, myself, and the people of Tobago who like me to be here and to be fair to them. I hope we would have the inspiration and you would take my advice, give them a chance in the Assembly, they mean well and they are going to help everyone. They are going to help the Ministry of Finance and every Ministry and at the end we would all be the winners as a result of having allowed Tobago to exercise its autonomy in the way we envisioned and Tobago would be given more autonomy as is the dream of the Attorney General.

Thank you.

11.30 p.m.

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. President, I did not think that I would have been replying or winding up this budget debate, but I want to assure you mine is not a pre-wind up, mine is a final wind up.
[Laughter]

I thank Senators on both sides of the Senate. I thank my colleagues for the confidence and the encouragement that they have given me in this budget. I thank Senators on the other side for the contributions they have made. I want, for the first time, to agree with Sen. Mohammed, that this has been a very inspiring, exhilarating and intriguing budget debate. It has been of a standard, I think, in the four budgets that I have presented, which has set new heights.

I really want to thank Senators on both the Independent and Opposition Benches, for helping to raise the standard to a point where, I think, in spite of the late hour in the evening, in spite of the fact that we have had three gruelling days, that we still have with us two very statesmen personnel in the form of Sen. Prof. Kenny and Sen. Dr. St. Cyr. I say that, not because I mean anything about their ages, but because of the fact that they have remained with us through, as I have said, gruelling days, where so many very worthwhile contributions have been made.

I will have some oratory inspirations to take with me for the next year. I know that there would have been others, but Senators would forgive me if I have singled out one or two. I like the analogy to *Pratt and Morgan* and the sentencing of the

prison and the airport to a life sentence. I thought that was very neat, and I think the language is excellent. *[Laughter]* Although some people think that I should be offended, I like the reference of “a Pompek budget in a Pitbull country”. *[Laughter]* I rather liked also: That whilst we have an excellent driver, we must help him find the way. *[Laughter]* I was not too sure what kind of compliment that was, it sounded a bit like a left-handed compliment. *[Laughter]* Of course, today I heard about how vainglorious I am. Mr. President, I want to start there.

I start by saying that two months ago, I, myself, had not been sure whether we would have had a change in the financial year. Even though we knew it was the correct thing to do at the time—the very last measure—we had not really started a budgeting process assuming a change in the financial year. All the circulars that went out asked people in June and July to do their budgets as if we were going to start a budget year of January 1999, ending on December 31.

It meant that we had, literally, to reverse a lot of what we had done and start afresh. It threw many people in a tailspin. It had the Tobago House of Assembly having to put numbers, again, together for us, because they were going along a particular path. We had the ministries going along a particular path. I think, I could say that two months ago, I had no budget. As a matter of fact, I had briefed Cabinet and told them that what I saw facing me for the new period 1998/1999 was pretty much a holding budget. As you know, Mr. President, a holding budget would really be a budget that says: Let us stay on the course, let us remain on target, but not much is going to come of it.

I have to say that with the help of my colleagues, and with the Ministry of Finance’s officials, we have come up with something that must have been part of the inspiration as to why the standard in the Senate has been so high, in the sense that we took, literally, a holding budget and we set priorities that said, we want to take care of people who were very old, because they were vulnerable and they were subject to the vagaries of the economy. They were so vulnerable that if we did not do something to help, they were going to suffer the most.

We went all the way back to the spectrum where we said, What do we do to our vision for education? I rather liked the headline that I got two weeks ago that said: “This is a budget for the old and the young.” This is precisely how we dealt with it, and believe you me, we started with the old, because we had to address what we had to do when we had scarce resources in a holding budget pattern, to address the plight of the very old. We had to prioritize and say, if it costs \$60 million—I want to throw some numbers at you—the first \$60 million priority was

to assist those who could not help themselves. The old have served their time. They have contributed to the growth in the development of Trinidad and Tobago. We felt that they deserved to get the first chunk of the budget, even though we knew not much was going to come out of the budget.

Then we said: What are we going to do going into the new millennium? We had to address the question of children. I may be so bold as to say that I do not make promises in a budget. I do not want to wind up in a political fight or make political statements, but from time to time I have reviewed budgets. In 1975, the hon. Dr. Eric Williams made a commitment. When I read it, I smiled, because I appreciated Sen. Dr. St. Cyr saying that one must have 20/20 vision in hindsight. Mr. President, anyone can be perfect in hindsight and somewhere along the line I know I am going to be judged as the Minister of Finance for what I have done. Some I hope I would have gotten right and some would be a little off target.

Dr. Eric Williams promised and I quote: "A high-class stereo in every house be provided through NHA." Not a single stereo was delivered with a house. That does not mean he did not make a promise and he did not have good ideas. As a matter of fact, do you know what kind of stereo he was going to give? Do you remember? This was before you were born? A Curtis Mathis. How many of us here remember what Curtis Mathis was? That is what we were getting, a high-class Curtis Mathis stereo.

Now I am not saying he was wrong. I think he wanted to inspire people, and it brings me to this point, that I have tried to ensure that I stay the course and I have to stay the course. This budget has been the biggest challenge that has faced me in the four budgets I have had to prepare in the three years that I have been in Government, and I intend to stay the course. I intend to maintain fiscal and financial discipline, whatever it takes.

If you want to see them as promises, and if you do not want to see them as assumptions that I have made, and that these underlying assumptions assume that I am going to make a certain level of revenues, then I have news for you. There are going to be more broken promises if the revenues are not there, because the financial discipline is paramount in everything that we do. Whilst we have projects and programmes that we want to achieve, it has to be prescribed within the fact that we have revenues or we do not have revenues. If we have the revenues, those are our programmes that are established as our priorities. If the revenues are not there, we go right back to cutting our cloth to suit. We have no choice.

It is easy for any Minister of Finance to say, well we promised them that, let us throw caution to the wind, let us forget about surplus and deficits. I do not want to get into an argument, although I want to talk a minute about accounting surpluses and fiscal surplus of Government's fiscal operations. I do not want to spend too much time on that, because I am one of those who believe that it really does not matter whether you have a deficit or a surplus, as long as you understand the purposes for which the final balance is used.

Mr. President, you can have a fiscal deficit and justify it by having huge capital expenditure, because you know that deficit is going towards the replacement of capital stock, long-term, and that the country is going to benefit from that capital stock. That is one kind of deficit. However, when you talk about a fiscal deficit, it means meeting your recurrent expenditure, the cost of running Government from your recurrent revenues. It is like your salary. You borrow money for your mortgage, but you know that you are going to have the benefit of that house for many years, and you intend to meet those payments out of future income. However, you are not going to borrow money to eat, because when you borrow money to eat; when you have to eat next week and next month, you still have to find money. So it is a big difference in having what I have said is a deficit.

I could say, I am not going to borrow money for a house because I do not want to have a financial deficit, but that does not make it any better, I would have to pay rent. So understand, there could be an argument made as to why you should have a deficit, but that is an accounting deficit. In terms of fiscal deficit, we are talking about Government's fiscal operations, which is the recurrent, basically. In other words, you take your capital repayments, your sinking fund payments out of that to arrive at a deficit or a surplus on your fiscal operations.

I hope I have not confused you. It is not my intent. I merely intend to show that if you are committed to a fiscal surplus, then you have to meet that, whether you made promises or not. I would much prefer to be criticized for not being able to deliver something that I promised because my assumptions turned out to be unfortunate. I do not want to say wrong, because they were not wrong, they were based on the premise of particular assumptions, and if it does not materialize, then I have to take the criticism for that. However, I am not going to take the criticism for carrying out promises, merely because they are made and have a fiscal deficit. The risk down the road is far too great for that. Our whole macro-economic fundamentals are at risk and we cannot afford to risk the future economy because of politics. In that case, I have said, I intend to stay the course and to remain

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committed to a fiscal surplus. I hope I have been able to explain that there is a difference between a broken promise and an unrealized assumption.

11.40 p.m.

Having said that, I want to spend a few minutes—and I do mean a few, because I know it is very late—to bear on some very pertinent issues that have been raised. I first want to compliment Sen. Montano. I think it was really an excellent presentation he made. [*Desk thumping*] I hope he gives me an opportunity to explain why in my budget, this time, I can be criticized for what may be perceived as some optimism.

This budget, as I said, has been the greatest challenge to me because we have an economy that is growing. I do not want to debate whether it is one per cent, 3 per cent or 5 per cent. The fact is, as the Minister of Finance, I have the responsibility to make sure that confidence remains high. That is one extreme. On the other extreme, I have the question where I know revenues may be threatened. So on the one hand, while I am trying to encourage people and give them hope and make sure that optimism and confidence remain, I have to be careful that I do not go so far that I raise people's expectations and make them believe that it is going to be a great day for us because things are "honky dory". That is not an easy balancing act to do. It is a tremendous balancing act.

He was right. He is Opposition and he could paint the picture how he sees it. I have to paint the picture in a particular way to give hope, to make sure that the economy continues and to make sure the people feel that whatever happens, our leadership is going to take us through. We cannot be entirely insulated from anything. We can have a hurricane tomorrow. We are not prepared for a hurricane. It can wipe us out. When I say we are not prepared, I mean that there is no way we can stop a hurricane, but if a hurricane comes, every man jack who is here and is a leader has to come and play his role.

It does not make sense to tell people, "Let us start preparing for a hurricane" if a hurricane is not on the horizon. It does not make sense saying, either, that we are going to have an oil boom coming when an oil boom is not on the horizon. That is why I said for me it has been a challenge trying to get that little balance where I can give hope without taking people into a fool's paradise, where I can give people the confidence of knowing that even if things go wrong, we have the mettle among us, among business leaders and the NGOs to be able to withstand whatever it takes. If we do not, then as a nation, we will be ruined, but as a small nation that is in a

very hostile environment, we have to find that middle cross where as leaders we can demonstrate that we have the capacity to come through it all.

There were floods worse than in Central Trinidad in Texas. I saw the tip of an electricity pole; the water was that high. That is in the US. The US is not insulated from economic shocks, neither is it insulated from what happens in Russia or Far East Asia. It thought it was, but it is not, and the world economy now is so closely intertwined that these shocks can reverberate through them quickly and can affect any nation, far more a tiny nation of 1.3 million people living in Trinidad and Tobago.

As I said, it has not been an easy challenge for me, but it is one I have accepted, and I do hope and understand there are some politics to be played but I hope that when the crunch comes we can rally all of our leaders to take us out of whatever difficulties we find ourselves in and that we remain committed to certain fundamentals, whatever they may be; whether economic, social, religious or otherwise.

The Senator did raise the question of the numbers. Let me start with one I have to get out of the way very quickly; customs users fees. There is no such thing as customs users fees. It is a mistake. It was meant to be deposits that are being removed from customs. Let me explain what I am doing. Customs have had, since the 1970s, people clearing goods on deposit. These deposits have remained there and have accumulated to become huge amounts. What I had planned to do is to remove it back into revenues, because many of them are cases where people are no longer able to make the claims, the claims are statute barred, or people have walked away from it and said keep it because they paid deposits to clear goods, they have disposed of the goods or used them, and they are no longer interested in making any claim. These are old things; there are huge amounts, and I plan to clean them off. That is \$140 million that is sitting in the deposits there since the early 1960s that are going to come into revenue.

Sen. Montano: Is that a company transaction?

Sen. The Hon. B. Kuei Tung: It is, but it comes into revenue. It is sitting in Treasury deposits. If ever we needed a deposit, it would be now.

The Senator talked about registration of locally assembled motor vehicles and he felt I was a bit optimistic. Maybe I am but I do not think so. We collected \$102 million in 1997. For the first nine months of this year, we collected \$128 million. If he analyzes that, we would have collected \$170 million this year. I feel that even

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though I have done some adjustments, I would probably end up with \$150 million. I may be wrong. It may end up being \$130 million, but who knows? We would hope that even though we will collect much less than the foreign-used, I do not see any need because we have not really increased the prices on the new cars substantially. We expect there would still be some momentum, and there is going to be some increase coming out of that.

Concerning profits from sale enterprises, in one case, the question of a sale enterprise being disposed of is a subsidiary of a company. I will name the company: Petrotrin. One of Petrotrin's subsidiaries is earmarked for sale. It is Trinmar. I cannot get that by sale of assets. I do not want to get into an accounting argument with the Senator again. It is not a sale of assets. The only way they can get that back into Central Government is through distribution or dividends. That is why dividend figures have gone up.

In some cases, they are asking why some figures are suddenly shooting up and some are going down. There is also another reason; I should have prefaced my comment by saying that. In many cases, what we may be looking at is a 1997 12-month figure, a 1998 nine-month figure, and a 1999 12-month figure. If they look at the numbers like that, they are obviously going to have distortions because there is a nine-month period being compared with a full year, 1997 and a full year, 1998/1999 budget. So, there will be some distortions, and we have to recognize, therefore, that some of the numbers may look optimistic if we compare them with nine months in 1998.

Sen. Montano: Is the Trinmar sale finalized?

Sen. The Hon. B. Kuei Tung: That is earmarked for 1998/1999. Concerning the water improvement rates, we came here with a Bill, Act No. 10 of 1998 and we said that water rates have to be accounted for by WASA into the Consolidated Fund. It is really a pass through, but if one looks at the two numbers separately, one will think that one suddenly went up, but the expenditure is also reflected so it really has no effect on the final surplus.

Water rates will look higher this year because we have approved here an increase in water rates for the industrial sites, and Act No. 10 of 1998, the Waterworks and Water Conservation Act, Chap. 54.41, was amended to provide for water improvement rates to the industrial and commercial users. The rates generated must be paid into the Consolidated Fund and WASA has responsibility to build and collect them, but the funds are then disbursed right back to WASA.

I did some work on the VAT. I did more than that. I got the Chairman of the Board of Inland Revenue to confirm to me in writing, and I will quote her last line and then come back to this:

“In the light of the foregoing, the target collection of \$2.39 billion for 1998/1999 is realistic”

I will tell you why. In 1997, gross—I think these numbers have never seen the light of day, so I am happy to make them available—we collected \$2.7 billion, but we made refunds of \$1.1 billion, so the net VAT we received in 1997 was \$1,624 million. In 1998, and I am speaking of nine months, so bear in mind I may have to analyze these numbers, we collected \$2.662 billion. Refunds were made of \$1,009 million. That gave a net figure for nine months of \$1,653 million.

I do know that someone raised the question of the Central Bank numbers, but the Central Bank numbers gave it for the first quarter and it was reported in June, and the first quarter had an 87 per cent increase, but as someone said, included in that was a refund which was made in June. As a matter of fact, the refunds that were made, according to Mrs. Ali, the Chairman of the Board of Inland Revenue, were some \$469 million in the following month, so there is also a pass through. Many people are not understanding that we do collect quite a bit of VAT gross but we do make a number of refunds, and they are done quite readily. We are able, therefore, to determine the level of VAT we received as a percentage of the non-oil GDP.

VAT was introduced in 1990, so we now have eight years of VAT experience and we could see trends. I have budgeted for the full year 1998/1999—remember I said we collected in hard cash \$2.7 billion in nine months—gross collections of \$3.2 billion. I have budgeted refunds of \$1.2 billion, and that gives me a net collection that I project for the year of \$2 billion, which is just over 6.2 per cent of the non-oil GDP which, as I said has been running at about 6.1 per cent over the last few years. It almost has a direct movement as non-oil GDP moves. I hope I have been able to satisfy Sen. Montano with that. I will be prepared to give him these numbers in writing if he wants to test them.

The commission fee is a loan that was negotiated during the PNM regime when they charged Petrotrin a commission fee of 3 per cent. It was not done by us. It was done since the days when they did the upgrade for Petrotrin. I am now negotiating with them because they want to get out of that arrangement because they feel the 3 per cent is too high. Some money is sitting and we expect to raise about \$92 million.

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When things get tough, the tough has to get going, and we are literally cleaning house to make sure that our systems are correct. Where we have money available to us that we have been ignoring in the past, we suddenly get tight. For arguments sake, National Petroleum (NP) collects excise for us and they have about \$50 million in arrears for us, but we hope to collect 14 months' excise in a 12-month period because we have to get efficient; we need the money this year. It is things like that we have done that have been able to give us some of the optimism that people have been able to see.

I want to deal with one other small point with respect to Sen. Dr. Eric St. Cyr's question about Central Bank's profits. There are two reasons for this. Our US reserves have gone up substantially. The returns they are getting on the reserves have increased substantially and in addition to that, they have gone into open market operations which allow them—open market operations is a great theme for Central Bank. We pay the cost of the interest they pay to open market operations, but they get the benefit of any revenues that they collect. That \$72 million is really based upon 1998 profits. It is going to be received in 1998/1999, but it is hard cash already, so it is not an optimistic guess. That is literally money in the bank they will pay us this year.

One of the things we have had which I have built into the estimates is the fact that over the last two years, we had to make do with less taxes from Amoco, because under the Special Petroleum Tax (SPT) regime, Amoco is able to claim as a deduction all of its exploration expenses which they have done. They have done huge exploration expenses in the last two years to try to find some more gas in anticipation of the Atlantic LNG and to see if they could find more oil. Those expenses have been written off in the period 1997/1998 that have hurt us to the tune of approximately \$500 million roughly per year and we have lived without it. In the new year, they say they are not doing as much exploration. Secondly, they have no new investments of that kind that they can claim as a deduction. Our oil revenues from them will go up a little more because they have less claims to make in their taxes.

11.55 p.m.

I think I have addressed many, if not all, of your concerns with respect to numbers. I talked about the customs users fees, the water improvement rates and the commission fee for Petrotrin.

With regard to the question of sale of assets versus dividends, it is not that we are monkeying around with the accounts, Sen. Mohammed. It is not that I do not take my responsibilities seriously. I am merely trying to signal to you that I have to rely upon the public servants for doing their work. They are responsible for the treatment of these things. I do not sit and decide whether something is a dividend or something is the sale of an asset. They have to decide that, based upon decisions which we make.

I want to mention one thing, too, as I am on that topic. Someone had asked me if I could indicate the kind of companies that we are talking about.

I talked about Trintomar, so Trintomar is not coming here as a sale of an asset, because it is a sale of a subsidiary from which we will get some dividends from Petrotrin.

We had Trinidad Cement Limited. Now even though Trinidad Cement Limited had been sold late September, we have not received the proceeds that we budgeted for October 1, 1998. We have since collected the money, so that, again, is money in the bank. Tringen or Trinidad Nitrogen. We have earmarked National Flour Mills. Not all of it, but we have about \$168 million that we expect in proceeds there. Trinidad and Tobago Methanol Company. That is only because we have a balance to collect off of the sale for some shares.

We did have about \$50 million from the sale of some of the Government quarters, which you know we plan to do in terms of offering properties to the public servants; and my colleague here has assured me that he is going to have Salvatori Building cleared before the end of this year, and hopefully, we will be able to dispose of it because it has really become more of a liability to the Government than an asset. Because we are unable to maintain it, and we really are not in the real estate business. So we are contemplating selling the Salvatori Building as part of the sale of Government.

Sen. Marshall talked about a new approach to national budgeting which, I must admit, has a lot to commend. I do not know if we can really contemplate or countenance such a radical departure: maybe one day we will get to where you are proposing. I will make one mention of what you have said. I feel that eventually, I would like to move towards a two or three-year ruling plan. A two or three year ruling plan, to some measure, would adjust some of what you are saying, because it means that you now have a bigger span in front of you and you are therefore in a position to start anticipating where we are going, what we are going to do, and

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you keep modifying that as you drop one year and you add another year. So that gives you a much better feel as to where the Government is taking you.

The problem with a two or three-year ruling plan, as you know, is when administrations change and want to change the whole caboodle. I mean, that may create a little problem, but I still think that a two or three year budget instead of a single year budget has a lot to commend itself, and it sort of bridges what you are recommending.

I know a lot has been said about the used car dealers. It is not our intention to destroy the used car industry. As a matter of fact, the Opposition Leader, in the other place, had said that they had looked—and I think that was in his speech—at the question of used cars and had turned it down. As a policy, we had felt that we could not have a change in circumstances in Trinidad whereby we now allow foreign cars to come in, and find that given our rate of exchange, foreign cars were literally outside of the grasp of the average Trinidadian and Tobagonian. Therefore, we felt that making foreign cars available to “up market”, and I use that word meaning the upper- and middle-class, would look odd without making something available to people on the lower end.

We made a conscious decision that we are going to develop a used car policy. Most of it, I think, we got right. Some of it was trial and error and when we did our numbers we came up with a registration fee, two years ago, of \$20,000 to \$30,000—I am being honest with you. When I made a presentation to Cabinet, I asked for a much higher fee, but because we did not have any experience with it, we felt that rather than go with a high fee and so signal a strange thing to people, we are telling them we want to help them, but we put a high fee on it. We started with a lower fee, always with the intention of reviewing this.

We also have to recognize, as I said, that whilst we make it available, we have to put certain checks and balances in place. Mechanisms are being put in place and we hope that very soon we will have the full regime announced. We do not really want to become a dumping ground for used cars. We are disappointed that our policy is to allow cars no older than five years into Trinidad and Tobago, but we see cars that are being brought in through clandestine means that are 11, 12 and 13 years old. Therefore, we felt that we wanted to learn from these experiences and tighten up as we go along.

I do not think that a special registration fee that increased about 40 or 45 per cent of the duty is unreasonable, if it were a car no more than five years old. But it

obviously does not make sense if you are talking about a 12—14 year old car. That was never our intent. What we really want to do is try to bring people back down to saying, if we are looking at a foreign used car, it must be a car of three or four years, but not older than five, because then, the special registration fee will not make sense. It does not make sense putting a \$50,000 special registration fee on a car of 2000 ccs that is 11 and 12 years old. That is what we want to discourage. That is how we are trying to regulate it.

I know that it seems fairly steep to move from \$20,000 to \$30,000, it is a 50 per cent increase, but we still feel it is affordable, and that we will encourage people to bring in the right cars, and hope that we would be able to address some of the anomalies on the market, particularly in respect of regulating the used car market.

We do not have all the answers to it. We have thought about it. We will keep monitoring and managing it. It is something new, and we will want to make sure that it redounds to all nationals. That is why at this point Cabinet is a little reluctant to make any adjustments until we have learned a little more about it.

Sen. Yuille-Williams: What about my cheque?

Sen. The Hon. B. Kuei Tung: The thing about it is, one cannot make a measure and telegraph that one is going to make the measure. What one is going to have is, if we have 5,000 used cars sitting in the inventory in Trinidad, if one signals that one is going to do it, one would have had a number of things. One is that one would have every container in the country lined with motor cars. We will be flooded with many old cars. So we really cannot. And these measures have to steal like a thief in the night into the operation.

Sen. Shabazz: Are you in truth and in fact, signalling that for cars under five years you are willing to make a consideration as far as the rate is concerned?

Sen. The Hon. B. Kuei Tung: That is not what I am saying. You are reversing my statement. I am saying that I think the special registration fee for a car up to five years is reasonable, but it does not make sense outside of that. We are trying to discourage people from bringing in very old cars because, in our view, the consumer is being ripped off.

Rev. Teelucksingh raised the question of Southern Finance. I want to give him the assurance that I am looking at the Southern Finance depositors. I do not want to raise hopes unduly, but if resources permit, we will address the plight of those people—pensioners in particular.

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Sen. Alfred raised the question, and I hope we have dealt with the question of disabilities. I thought we had done enough for disabilities, given the limited resources we had, when we allowed people at age 40 to literally access a pension. We say age 40 because we assume that someone with that kind of permanent disability can be equated to someone who is not disabled at age 65. It is an assumption, as I said. It is not based on any scientific fact, it is merely a social measure to address the economic plight of these people.

Sen. Alfred: For those who cannot work, but we are talking about those who want to work and are able to work, but they are not getting tax breaks and so forth.

Sen. The Hon. B. Kuei Tung: When you say tax breaks, can you have a special tax for the disabled?

Sen. Alfred: The thing is, their situation has to be looked at. They must not be regarded as people whom you give—I do not want to use the word charity. There are people who are disabled or handicapped who do not fall into that category, but there are others who would like to work or be in a position to work, working now, and they want certain facilities.

Sen. Yuille-Williams: The hon. Senator talked about the disability grants you give to those people if they are certified by a court. But I suppose the influx has been so great, that what they are doing now, you need to have a certificate from the doctor, but you have to appear before a board at the Ministry. The board makes the final determination. Let me just tell you something. You see the psychiatric people, those manic depressive people, you cannot tell how they are. So actually the final decision on that is right there in the Ministry.

Sen. The Hon. B. Kuei Tung: I would bring it to the attention of the Ministry of Social Development, but I guess we have to have a cut off point somewhere, and we have to have a basis for determining how people qualify.

With regard to the self-employed for NIS. I know you raised that point. We are looking at it because we are going to modify the law to bring in the self-employed. The reason for this is, as you say, I do not know of any reason why, even if I were self-employed and had employees I could not register. I think it is the option of the self-employed person. It is the option. But what happens is that the National Insurance Board really does not make it mandatory, because if one is self-employed, one can—believe me, the National Insurance Board is not going to refuse money. They should not.

Sen. Alfred: I asked them and they said no.

Sen. The Hon. B. Kuei Tung: But I am going to change the law. In addition to making it mandatory for the self-employed, I want to bring contract employees into it. The intent is that we want to make national insurance all-embracing. As a matter of fact, in the budget I had said that the time is going to come where employers would have to harmonize national insurance with their own pension plans. If not, it is going to become too expensive for employers. Because they cannot be paying grandiose pension plans privately for employees and still paying national insurance. They will have to find a way to bring it in where, when one retires, one could actually be getting two pensions; one from national insurance and one from the private pension carrier. So that, I would encourage employers to think of harmonizing those two.

As I said, even with contract employees, the thinking of the Government is that we want everyone to start thinking about putting something aside for when they become old, and that they do not live merrily all during their life and then have to come to Government at the end of their working life and say, "I am broke".

The next level of pension reform is going to be where I bring all of these things in. Now, one of the great things of the new pension reform that I want to bring in is that, we are going to have pensions—and I use the word "pensions"—mandatory, as far as possible, so that people have the right to choose which pension carrier they want. Let me see if I can explain that.

Our vision is, ultimately, that you go to a pension fund administrator, and even though your money is being deducted, you can determine whom you want and there will be a whole host of pension fund administrators and you have your relationship as an employee with a pension fund administrator, not through the employer. You just tell the employer, "I want to use XYZ Company", and that company is obligated to send you an annual statement.

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In other words, what we are trying to do, as I said, in the two-year budget is to create an awareness of asset building in people, so people could say, I am putting this thing aside. Most people say that when they are paying a pension they never see it and they have to wait until age 60 or 65, depending on the plan, before they get anything, and there is no knowledge or awareness of it.

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Mr. President, we are changing all that to say that pension fund administrators have to give you a statement, at least annually. You could get it half yearly or quarterly depending on the provider, but you have to get it. It goes to your home, and you could determine, "I do not like this one," and go to another company which is paying a better rate of interest. It will all be regulated. We are doing that because we want to build an awareness of and to have people in charge of their assets, so that is why we are moving towards that kind of pension change.

Regarding hotels, you asked why is a hotel getting up to 18 years, and I agree with you. The problem that we are faced with is that tourism in our view, is really not yet playing the role it can play. I think Sen. Marshall alluded to that by saying that we really have gas tourists instead of eco-tourists. Therefore, in spite of giving these incentives, the tax breaks of up to 18 years, as you claim, still have not taken off, and it is obvious that there is something in our psyche that has to be changed with respect to how we address tourism. We have to spend more money in marketing.

The problem with the marketing that Trinidad and Tobago has done is that it goes like a tap: you turn it on one day, then you turn it off, then you ease it up. Marketing tourism is not like that, you must have specific markets targeted and your flag in someone's eye on a continuous basis. Every time we find that money gets scarce the first temptation we have is to pull back on the marketing. When you do that then you destroy all the good work that you had done before. It has to be done on a sustained basis. That is why you see Jamaica, the Cayman Islands and so forth everywhere. You do not know whether they are going through a hard time.

Many of us here know that Jamaica's economy has gone through all sorts of gyrations, but they cannot just stop and we have to come to that realization, if we want to take advantage of tourism we cannot turn the marketing effort on and off like a tap. The minute you do that and you get into a crunch saying that you are wasting money, you are not really wasting money. You have to sell the country as a destination, if not, you are spinning top in mud. Only when you do that can you stop and say, "We think that we have given enough incentives."

We still do not have enough hotels, and the old hotels become older and need to be renovated, and the new hotels have to be enticing to come into, so your tax breaks remain open. But we will debate that when we bring the new Bill.

Mr. President, they talked about airfare discrimination for citizens, that one stuck in my craw a bit. I have no difficulty whatsoever in subsidizing a fare for a local who is here, but I hate to think that a foreigner, especially a Trinidadian lady who is speaking with an American accent—I think that is what she said—comes here and says, "I have to pay US \$16 more and I am being discriminated against!" She is not being discriminated against, she is being charged the correct economic fare. We charge our locals US \$16 less because we have a commitment to try to make it affordable.

Either you are making a case for me to subsidize the foreigner, or you asking me to charge everybody, including foreigners, no subsidy. I am not sure which one you want, either one would be acceptable. I think unfortunately, that we have a system whereby we subsidize locals and we do not subsidize tourists. I am told that the fare is the cheapest fare, mile for mile, that any airline can charge. As a matter of fact, in my own discussions with American Airlines, I am told that there is no way they could even deal with the higher fare, far more the lower one. *[Interruption]*

Sen. Alfred: The thing is that Trinidad and Tobago is regarded as one country. Their contention is, that between Trinidad and Tobago they have to pay this extra money which does not apply to all. By that I mean, if I as a local buy a ticket for a non-local the airline does not know so it charges the normal fare.

Therefore, some people pay it and some do not, thus, it is the people who pay it who really object. If it is a decision for all then it must apply to all, but we have lost and we are continuing to lose many of the tourists who come down and go to Tobago and have to pay that extra fare. It really has to be looked at.

Sen. The Hon. B. Kuei Tung: As I said, I rather suspect that the kind of penny-pinching tourists that the Member is talking about who we have lost, we probably could do without. We really do not want people coming here saying, "I should pay the same fare as a local which is US \$16 less. *[Interruption]*

The policy could be established by us that if it is that some people do not pay it and some do, there is nothing we could do about that. We have established a policy that we think is fair and equitable. *[Interruption]* We do not own Air Caribbean or BWIA. I want to get around to BWIA.

Sen. Mahabir-Wyatt spoke about two things, the question of the role of the NGOs. I would make a statement that may very well get me into trouble as far as

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the NGOs are concerned. I am committed, and I think that Government's policy is that the delivery of social services can best be done by NGOs, we accept that, but we come upon too many cases of organizations that pose as NGOs. I use the word "pose" because I said I would get into trouble. When we look at some of the salaries that some of the executives are charging in these NGOs, we often wonder whose purpose they are really serving.

I am not taking everybody in a broad brush, but I am just saying that there are some NGOs whose executive salaries are higher than public servants. I am asking then: Are we not really fooling ourselves by saying that the delivery of social services can just be done by NGOs, if the NGOs' first cost is their own salary? I leave it at that because I do not even want to point fingers. I am saying that we agree. That is why I was particularly appreciative of the Minister of Community Development, Culture and Gender Affairs' comments.

We have changed many things. We said that we are not going to give any money unless we see audited accounts, and that has upset a lot of people. We did not think that we should spend money that you have approved callously and recklessly by just giving it to someone and turning our eyes. We want to know how you spent that money. When we see audited accounts, we see eight members of staff, salaries—\$200,000, \$300,000, \$400,000; that does not make sense. As I said, we worked it out with the NGOs and I am just mentioning it.

Sen. Mahabir-Wyatt also spoke about something, and unfortunately I did not think I would have had to talk about, the NYC contract. I would disabuse everyone's mind here, that in Cabinet—and I have served as a Cabinet Member on both the last two administrations—nothing has changed. I would say what I mean by that. The process and procedures are very much the same. We do not sit in Cabinet and direct NIPDEC to give NYC a contract like that. What happens is that we had a problem with the contract, and I do not want to rehash the whole issue. There was a contract that was signed sometime in March last year, we got stalled, accusations were levelled and we backed away from it.

Then we decided around March this year—one year after it got stalled—well, let us give it to NIPDEC. So the Minister of Works and Transport brings a note to Cabinet in March that said he wanted to give it to NIPDEC, and we decided to give it to NIPDEC. NIPDEC went away and started doing its work.

I have a letter that I would quote from dated April 29, by Mr. Noel Garcia, General Manager. He had written the Permanent Secretary in the Ministry of Works and Transport, Justin Paul. It says:

"In accordance with our contract with your Ministry for the Piarco Airport Project, we have been holding discussions with Northern Construction Limited as lead member of the NYC Consortium, with a view to resolving outstanding issues in respect of NYC's previous contract with the Airports Authority. The company has met with NYC on five occasions and a number of letters have been written. We wish to submit the attached report."

They submitted a report for the things they are doing, so when the mischief came up saying that we directed NIPDEC to give a contract to NYC, that is mischievous and wrong. We do not sit in Cabinet and decide that we are going to direct NIPDEC to give a contract to someone, there are negotiations going on and everything is put in a particular sequence.

In April the General Manager writes the Minister of Works and Transport and says, "Our lawyers have met, we have reviewed the situation and we want to do certain things." The Ministry of Works and Transport brings a note with respect to the recommendations made by NIPDEC saying that we have negotiated, we have scaled the contract down as best as we think we could get away with, and in relation to this particular package we want to reduce it and these are the minimum scope of works that we could get around with, and Cabinet approved the recommendation.

Senator you have read the Cabinet Note, but if you take it without that background and understanding of how it transpired, you could misunderstand it, because it sounded as if Cabinet approved something without the basis of anything. But you have to take the entire Cabinet Note with the report into consideration and not just look at the decision of Cabinet and say that it has directed NIPDEC to do something. It does not work like that, nor did it work that way with respect to InnCogen.

Trinidad and Tobago Electricity Commission (T&TEC) said, "We are going to run into a crunch come September 1999 with respect to the generation of electricity if we do not do something, because we have a number of plants that are coming here and we do not have enough power to be able to accommodate them." What did T&TEC do? They got a request from the people who wanted to put up these plants saying, "We want to put up these plants, would you be able to accommodate us?" T&TEC said no.

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Then they came up with this guy, I do not know who InnCogen is and I do not want to talk about anyone with any short pants. These are political things that anyone of us could talk about, but you must understand that when we are callous and irresponsible in our criticism we are not hurting anybody but ourselves, especially when they are unfounded.

T&TEC went out and invited three people, including POWERGEN—the Minister made that point in the Lower House—and both of the other two said that they could not gear up to give the increased capacity for September 1999, except InnCogen, the only one of the three. So T&TEC approaches the Ministry of Public Utilities and said, "We would like to negotiate a power purchasing agreement with these people." The Ministry of Public Utilities then brought a note, then Cabinet said, "If you have done that work...," because we have no reason, like you, to mistrust T&TEC, we have every confidence that they know what they are doing.

No sort of red herrings, or talk about man in short pants sipping scotch is going to deter us, as I said, we are going to stay the course and deliver the things we need to do. If we need these investments—and I know all of us do, I am going to talk for just one minute on foreign direct investment—then we have no choice but to provide the infrastructure for them; that includes electricity, telephones, water and roads. We are not going to sit and dream up that we are going to call a guy's name in InnCogen and Cabinet is just going to direct T&TEC, it does not work that way. Members who sit on that side know that in Cabinet that is not the way it works.

The ministry has to present something for the deliberation of Cabinet and Cabinet then looks at it. We sit and think about it, think of the best possible way and we make decisions. We do not sit and direct people to do things. It does not work that way. Cabinet does not sit and dream up things of new people to go and direct. When you look at Cabinet decisions—and I am not going to ask how people get these Cabinet Notes, because you know me, I live my life like an open book. That is part of my difficulties. I live as if I assume that whatever I do is going to see the light of day or it is going to meet some court. Therefore, I live like that—

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

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

Question put and agreed to.

Sen. The Hon. B. Kuei Tung: Thank you Mr. President and hon. Members. I know it is very late, a new day is upon us and I hope you would bear with me for just a few more minutes. *[Interruption]* It is very early in the morning, that is why I said that it is a new day upon us.

Sen. St. Cyr raised something on National Insurance. He did some back-of-the-envelope calculations. His calculations are headed in the right direction but are slightly off. He said that based upon his calculations he thinks that the National Insurance Board would raise an extra \$700 million in contributions. Did I get it right, roughly?

Sen. Dr. St. Cyr: Gross.

Sen. The Hon. B. Kuei Tung: Gross. Actually our calculations are based upon this, and I would say why. I am told that 80 per cent of the people who are in the National Insurance net are really below the \$2,400—\$2,500, so whilst Sen. St. Cyr went all the way up to \$3,600, our projections say that we would probably raise about \$500 million. The increase in benefits is going to cost us between \$200 and \$250 million, therefore, the net balance which is about \$200 million is not extravagant, and hopefully it is going to meet the needs of all of the new contributors when they retire.

I just thought I would share that, instead of the \$700 million and \$300 million respectively, our calculations were about \$500 million and \$250 million. We are not too far off, but I thought I would bring it nearer home.

I also mentioned the Central Bank's profits, and as I said that is money in the bank, it is not a projection and it has to do with the reserves. The higher the reserves go the better the Central Bank looks, because these foreign reserves are held by the Central Bank and they are responsible for investing it. That redounds to their own net profit at the end of the day.

Mr. President, I would welcome Sen. Shabazz as a Minister of Finance. He said that he could be and I would tell him that he has my support. *[Laughter]* But I can assure him that he would have a lot of competition if his administration comes back into power, because Valley wants to be, Montano wants to be *[Laughter]*.

When I introduced the question of not filing income tax returns, it is not that we are doing it in a callous way. Do not forget that we have some time to put it in place. It does not really come into place until the income year 1999, so we are really not looking at it until the year 2000, but we have to start gearing up for it.

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We feel it is much easier, cheaper and more efficient to be able to audit an employer than to audit his employees. The returns to us are much greater, because more clerks are needed to audit all those employees—there is one convenient place—we go to the employer, who, as I said, under law, has the responsibility to deduct the correct amount of tax; it is convenient; he has his records in one place and we use fewer resources. As a matter of fact, we do not even use our own resources; we go to the employer's office, so we are even provided with office space in the meantime.

It must be more efficient. Therefore, we should have no fear of what Sen. Shabazz said, are indiscriminate employers who will not pay the tax. We need to get more in tune with it and, I think the Board of Inland Revenue has already demonstrated that it has the capacity to become more efficient.

I agree with Sen. Prof. John Spence that we are not making a big issue, although we did not have some political rhetoric about pensioners being above the poverty line. That is political to some measure. The thing is the first mile post we wanted to get past was a poverty line as defined in 1992. We have not done any other poverty line since, but that does not mean that we plan to leave pensioners at the \$620 line. As a matter of fact, what we plan to do—and I make this commitment publicly—is review the question of government pensioners who have had no increase since 1983.

Sen. Mahabir-Wyatt: Sorry to carry this. I know you have very few minutes. I just wonder, if since the National Insurance will now be paying out \$430 and \$606, can somebody, because it will be under the \$620 poverty line, apply for both?

Sen. The Hon. B. Kuei Tung: Yes. As a matter of fact, I was going to address that question when I reached my notes on Sen. Joan Yuille-Williams, but, let me answer it right away.

We are doing a harmonization. In any harmonization, there is the possibility that some people might get hurt, but we really want to ensure that no one who is retired at age 60—65 gets less than \$620. That is the magic figure we have in mind. No one should get an income of less than \$620. We recognize that there were previous systems which had a ceiling and that if someone earned up to \$5,000 before, that person still got the \$520, which was the old figure. People are actually getting \$7,440 plus \$5,000 if they are right up to the margin last year. We

will ensure that no one falls below that, so if someone was earning that and can prove it, that person will remain at the level. We do not want people to be hurt, but we have to change all the parameters and, in increasing the parameters, we are worried that some people might fall out and we do not want that.

Therefore, we are actually harmonizing three things—old age pension, whatever level it is, whether it is the \$520, the \$620 or whatever; national insurance, which is also moving; as well as other income which may be had from other sources. So, if someone were working for NIPDEC and retired—no, I need an old company. If someone were working for Parnell Fitzpatrick—and notice I said Parnell Fitzpatrick because there is no Parnell Fitzpatrick anymore; there is Ernst and Young now—like me, as I did 30 years ago and I retired, then if I had other income, I had to harmonize that, too. No one—and that is the magic number as I said—no retiree should earn less than \$620; they can earn much more.

We will ensure if, because of the harmonization, they fell out of the last system, they at least remain and may have no change, but they do not get an increase. They may not get an increase of \$100 because they are way outside our present limits. In other words, if they move from here to here, even though we have changed NIS and old age pension, they really cannot get a benefit, because they are already enjoying a fairly good income according to what we anticipated. I hope that has satisfied you, Senator.

There will be problems and I can assure Senators that incidentally, we did say that the reason we are doing this from February 1, was for two reasons. We need to give the National Insurance Board an opportunity to change its systems. We know it has an old, antiquated system—cards which have been printed with these levels will all have to be changed. They have computer systems which will have to be upgraded. We have to give employers an opportunity to bring their systems up-to-date, too, because the employers have to change their contributions by February 1, and so forth.

But, the key to all this, too, is that we will be moving the payment of pensions from the Ministry of Social Development to the National Insurance Board that will do it on behalf of them. In that way, we can also achieve some efficiencies, because we will be able to make sure that at least the harmonization between national insurance and old age pension is more efficient.

Sen. Daly asked about airlines alliances and BWIA, and I want to remind this Senate that this Government is very much committed to BWIA. The unfortunate

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thing about it right now is that the Government finds itself as a minority shareholder. Even though it is the single largest shareholder, it has very little say. Yes, as Corporation Sole, I have a golden share, but my golden share is a negative share. They can do things without me but I cannot do things. I cannot appoint a chairman; I cannot say in which direction the airline should go; I cannot tell them where and if to borrow money; I cannot tell them whether they should refit their planes. There is absolutely nothing that the Government can do with a privatized BWIA. I keep saying that not because I do not like BWIA—as a matter of fact, I do like BWIA—but the relationship between BWIA and the Government has changed substantially, and I am sorry Sen. Daly is not here, but I think he needs to appreciate that. The situation has changed and what we need to do is go forward on that. We want to make sure that BWIA does not fail. We do not only want to make sure, we have to make sure that we do the things that do not allow it to fail.

But, BWIA is being run by private hands and, as I said in another place, it puts us in an awful position. There is one word in the investment agreement under the previous administration which crept in which is going to cost us much money. The word is “sole”. BWIA has been given the right to be the sole national flag carrying status—the only one to enjoy that. I ask Senators, and I have no brief for any other airline, but if we got together here today and formed a national airline owned by us as nationals—do you know we cannot be given a national flag carrying status? Do you know that? But an airline called BWIA, which we all love and now which has foreign shareholders, enjoys the sole national flag carrying status.

Hon. Senator: That is Mr. Valley’s work.

Sen. The Hon. B. Kuei Tung: I told you I am not getting into the politics. I merely state the facts and, as I said, we really would like to get out of it. We are negotiating with them to see if it can be worked out, because it is an embarrassment to us.

Sen. Daly asked me how I got more revenues but lower oil prices. I am not a magician. I have been able to explain that, as I said, when things get tough, the tough have to get going. We are bringing a number of things into place; we are getting a little more efficient; it is giving us an opportunity to collect more revenues and I do not think that we really appreciate the fact that for the short-term, we really need to rely upon foreign direct investment. Yes, it taxes our negotiating skills and I think I owe it, to the credit of the team—there is a team which is chaired by Steve Ferguson—that does some of the negotiations. It includes people like John Andrews, some of the Permanent Secretaries from some

ministries who have been able to develop models that allow us to do much better at negotiating now than we did in the past. In the past, we gave away concessions based upon gut, now we have hard data and we are negotiating these things.

So that, in essence, we are in a position to get the best possible deal. The problem with that is it puts us in an invidious position where every deal is not the same and it cannot be, because every deal is negotiated based upon the project economics and if the project economics do not justify getting concessions, we are prepared to say no concessions, but if it needs concessions and we feel the project is something that we need, then we go with it. That is how we negotiate it.

I think there has been a fair amount of trust and understanding in all the foreign investors who have come with us. They like the style we have developed; it has been very businesslike; it has been an approach where the red tape has been cut through very quickly; we can get it approved and move with it very fast. The fact is, over the years, we have not cultivated enough of a penchant for savings so we do not have enough investments to carry us through and if we rely upon our own savings in the short-term, then our pace of growth, our pace of prosperity—and I use the word again very loosely—would be very much slowed if we do not rely somewhat upon an economy which is propelled and driven by foreign direct investment.

I also want to say, though, there should be not as much fear about foreign direct investment as people think. We put down a number of plants here and the only thing we can be hurt from is if they get shut down, but there is no way that the investment can now pick up and go. It is now represented in the main. What happens is, as I said, the game changes on us very rapidly.

Amoco was a big player and its Trinidad operations was a significant part of Amoco's operations. Amoco is now merged with BP; it is still a big player, but Trinidad's operation becomes smaller in the eyes of a bigger operation, and the decision to shut down Amoco here could be more easily taken now than a few months ago before the merger was announced because, here, we were significant to Amoco. That is the kind of implication for which we have to gear up. Those are the kinds of things that we have to be prepared to deal with and we have to be able to deal with them as a global player. One cannot become a major player of petrochemicals and pretend that one is a little boy. One has to grow up with it and that is where we need to develop skills and models and become aware of what is going on.

Appropriation Bill
[HON. B. KUEI TUNG]

Friday, October 23, 1998

So, when I say a computer in every class, I do not expect every student, by the turn of the century, to become computer literate, but I think if 10 per cent of our population is computer understanding, or whiz, or whatever it may be, we are ahead of the game. I want to say that we cannot afford to be left behind. If we remain behind, we are going to get further and further backwards, and there is little that is going to redound to our benefit if we do not do that.

I want to end with one small statement. I mean no fight whatsoever with the people of Tobago. On the contrary, I would like to see Tobago develop rapidly. I need to ask the people of Trinidad and Tobago to understand that there are heavy demands made on the persons of Trinidad and Tobago from every aspect, from every angle, from every territory. There are 40,000 people who live under the breadline in areas. If one goes to deep Diego Martin, there are no roads or stadium there. There is one stadium here and I understand the fact that Tobago wants to have a stadium because it is entitled to amenities that can be obtained in Trinidad which should be obtained in Tobago.

We have at times to go through some kind of a struggle—and I use the word struggle. There was no question that Government “used Tobago and is now abusing it”. That is the furthest thing from the fact. We have to struggle and the unitary state of Trinidad and Tobago is going to progress—and I say that word deliberately—but it can only progress through struggle and maturity, because we can only get progress when we come out of strife or struggle. We cannot get progress because we relax, we get progress because of demands.

I want to make a commitment. I have met with the people in Tobago, with the Chief Secretary, and I am going to give a commitment today that before my term is up—notice I say my term—I would ensure that Tobago has its Richmond Hill water project as well as a sewerage project. I give that commitment. [*Desk thumping*] Those are two minimum requirements that Tobago must have. We cannot develop the hotel industry in Tobago without water. We cannot invite tourists here and tell them we have no drinking water, or we do not have proper sewerage facilities. That is the start. It is going to cost much money but we have to be prepared to make that sacrifice for Tobago.

Sen. Yuille-Williams: It is said that public assistance has the greatest potential for impacting directly on the media. I spoke of public assistance and I did not hear anything mentioned by the Minister at all about public assistance and the survivors benefits, both of them.

Sen. The Hon. B. Kuei Tung: That is something which, as I said, I want to address. I look at people in groups. I do not see people as a man or a woman as some people would want me to do, or as a boy or a girl, or youth, or sport. I see people as groups and pensioners, we wanted to deal with, because we recognized and understood the plight. I was told—and I was surprised—that I had ignored the plight of those people who were getting public assistance, so that we are going to try to see if we can harmonize that as soon as possible.

Mr. President, it is very late. I wish you a very good morning. I thank everyone here for their patience and understanding and I hope that I have been able to explain all the issues that have been raised.

Therefore, Mr. President, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 1999, be now read a second time.
[*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. B. Kuei Tung: Mr. President, before I move the final stage, let me just thank members of staff who have been patient with us. I thank them for the long hours. [*Desk thumping*]

Mr. President, in accordance with Standing Order 63, I beg to move that the Bill be not committed to a committee of the whole Senate. [*Desk thumping*]

Question put and agreed to.

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

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, in moving to have the Senate adjourned, let me also join my colleague, the Minister of Finance, in thanking all employees, the police and the media and all who have really worked very hard over the last three days to ensure that we have been able to successfully complete this very important debate. I also thank all Members on all sides for their rich and productive input into this very important debate which just concluded a short while ago.

Adjournment
[HON. W. MARK]

Friday, October 23, 1998

I just want to indicate to my senatorial colleagues that in adjourning, I do not want to put a particular date, but I will let them know that we will be coming back sometime around November 17, but, in the event that an emergency comes up, we will have to come back.

On this particular note, I want to move that this Senate do now adjourn to a date to be fixed.

Mr. President: Hon. Senators, I, too, would also like to thank all Members for staying the course and completing this very important assignment. This Senate is not accustomed to having such late sittings and we have been here for almost 12 hours today and tempers have not flared. As President of the Senate, I think I am duty bound to commend Members for the dignified manner in which the debate has been conducted. [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 12.44 a.m.