

*Leave of Absence*

*Tuesday, November 24, 1998*

**SENATE**

*Tuesday, November 24, 1998*

The Senate met at 1.30 p.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. President:** Hon. Senators, leave of absence from today's sitting has been granted to Sen. Diana Mahabir-Wyatt.

**SENATORS' APPOINTMENT**

**Mr. President:** Hon. Senators, I have received the following communication from His Excellency, the President of the Republic of Trinidad and Tobago:

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C.,  
O.C.C., S.C., President and Commander-in-  
Chief of the Republic of Trinidad and  
Tobago.

\s\ Arthur N. R. Robinson  
President.

To: MR. KENNETH AYOUNG CHEE

WHEREAS Senator Diana Mahabir-Wyatt is incapable of performing her functions as a Senator by reason of her absence from Trinidad and Tobago.

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, KENNETH AYOUNG CHEE, to be temporarily a member of the Senate, with effect from November 23, 1998 and continuing during the absence from Trinidad and Tobago of the said Senator Diana Mahabir-Wyatt.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad and  
Tobago at the Office of the President, St.  
Ann's, this 20th day of November, 1998."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C.,  
O.C.C., S.C., President and Commander-in-Chief  
of the Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson  
President.

To: MR. VINCENT CABRERA

WHEREAS Senator Dr. Daphne Phillips is incapable of performing her functions as a Senator by reason of her absence from Trinidad and Tobago.

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, VINCENT CABRERA, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Dr. Daphne Phillips.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad and  
Tobago at the Office of the President, St.  
Ann's, this 24th day of November, 1998."

**JOINT SELECT COMMITTEE**

**Mr. President:** Hon. Senators, I have received the following communication from the Hon. Hector McClean, MP, Speaker of the House of Representatives:

"November 23, 1998

Sen. The Hon. Ganace Ramdial  
President of the Senate  
Parliament  
Red House  
Abercromby Street  
PORT OF SPAIN

Dear Mr. President,

Appointment of Joint Select Committee

At a sitting of the House of Representatives held on Friday November 20, 1998, the House approved the following resolution:-

**WHEREAS** the Working Paper on the Reform of the Management Structure of Parliament of Trinidad and Tobago was laid in the House of Representatives on Friday June 12, 1998 and in the Senate on Thursday June 16, 1998;

**AND WHEREAS** both Houses of Parliament agreed that a Joint Select Committee be established to consider the said Working Paper and to report to Parliament thereon, and appointed such a Joint Select Committee by resolutions passed by the House of Representatives on Friday June 26, 1998 and the Senate on Tuesday June 30, 1998, respectively;

**AND WHEREAS** that Joint Select Committee reported to this House on Thursday September 24, 1998 that it was unable to complete its deliberations and recommend that continued consideration of the matter be undertaken in the next session of Parliament;

**BE IT IS RESOLVED** that a Joint Select Committee be established to consider the Working Paper on the Reform of the Management Structure of the Parliament of Trinidad and Tobago; and

That this Joint Select Committee be authorized to adopt as part of its records all the work done by the Joint Select Committee appointed to consider the matter in the last Session.

The House of Representatives proceeded to appoint the following Members to serve on the Joint Select Committee:

Mr. Ramesh Lawrence Maharaj

Mrs. Kamla Persad-Bissessar

Dr. Rupert Griffith

Mr. Chandresh Sharma

Mrs. Camille Robinson-Regis

Mr. Martin Joseph

Yours sincerely,

/s/ Hon. Hector McClean, MP

Speaker of the House of Representatives”

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, I wish to state that at the appropriate stage I shall be seeking leave of this honourable Senate to move a motion in connection with the letter which you have just read.

*Oath of Allegiance*

*Tuesday, November 24, 1998*

**OATH OF ALLEGIANCE**

*Senators Kenneth Ayoung Chee and Vincent Cabrera took and subscribed the Oath of Allegiance as required by law.*

**ARRANGEMENT OF BUSINESS**

**Mr. President:** Hon. Senators, I seek leave of the Senate to defer “Bills Brought from the House of Representatives” to a later stage of the proceedings. Is that in order?

*Agreed to.*

**PETITION**

**National Safety Council of Trinidad and Tobago**

**The Minister of Works and Transport (Sen. The Hon. Sadiq Baksh):** Mr. President, I wish to present a Petition on behalf of the National Safety Council of Trinidad and Tobago in care of the Safety Department, Port Authority of Trinidad and Tobago, Dock Road, Port of Spain. The petitioners are desirous of constituting the said organization into a corporate body by a private bill so that its aims and objectives could be more effectively achieved.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

*Petition read.*

*Question put and agreed to, That the promoters be allowed to proceed.*

**PAPER LAID**

Fifty-second Report of the Salaries Review Commission on a General Review of the Salaries and Other Conditions of Service of Officers within the Purview of the Commission. [*The Minister of Public Administration (Sen. The Hon. Wade Mark)*]

**1.45 p.m.**

**UNITED ISLAMIC ORGANISATIONS (INC’N.) BILL**

*Question put and agreed to, That a Bill for the incorporation of the United Islamic Organisations of Trinidad and Tobago, and for matters incidental thereto, be now read a first time.*

*Bill accordingly read the first time.*

**PLANNING AND DEVELOPMENT OF LAND (NO. 2) BILL**

Bill to provide for the orderly and progressive development of land in both urban and rural areas and to preserve and improve the amenities thereof, for the grant of permission to develop land and for other powers of control over the use of land and the design, construction and occupation of buildings; to confer additional powers for the protection of the environment, and the architectural and cultural heritage, and for the acquisition and development of land for planning; and to provide for purposes connected with the matters aforesaid, [*The Minister of Housing and Settlements*]; read the first time.

*Motion made*, That the next stage be taken at the next sitting of the Senate. [*Hon. W. Mark*]

*Question put and agreed to.*

**ARRANGEMENT OF BUSINESS**

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, in accordance with Standing Order 25, I seek your leave and that of hon. Senators to dispense with notice with respect to a Motion which I propose to move and to which I referred earlier in the proceedings.

*Leave granted.*

**PARLIAMENTARY REFORM WORKING PAPER****Joint Select Committee (Establishment of)**

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, I beg to move that the Senate concur with the resolution passed in the House of Representatives and conveyed in the letter to the Hon. President of the Senate which was read at an earlier stage in the proceedings:

*Whereas* the Working Paper on the reform of the management structure of Parliament of Trinidad and Tobago was laid in the House of Representatives on Friday, June 12, 1998 and in this Senate on Tuesday, June 16, 1998; and

*Whereas* both Houses of Parliament agreed that a Joint Select Committee be established to consider the said Working Paper and to report to Parliament thereon and appointed such a Joint Select Committee by resolutions passed by the House of Representatives on Friday, June 26, 1998 and in the Senate on Tuesday, June 30, 1998 respectively; and

*Joint Select Committee*  
[HON. W. MARK]

*Tuesday, November 24, 1998*

*Whereas* that Joint Select Committee reported to this House on Thursday, September 24, 1998 that it was unable to complete its deliberations and recommended that continued consideration of the matter be undertaken in the next Session of the Parliament;

*Be It Resolved* that a Joint Select Committee be established to consider the Working Paper on the reform of the management structure of the Parliament of Trinidad and Tobago and that this Joint Select Committee be authorized to adopt as part of its records all the work done by the Joint Select Committee appointed to consider the matter in the last Session.

*Question proposed.*

*Question put and agreed to.*

**PARLIAMENTARY REFORM WORKING PAPER**  
**Joint Select Committee (Appointment of)**

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, I beg to move that the following six Members of this honourable Senate be appointed to serve on the Joint Select Committee to consider the Working Paper on the reform of the management structure of the Parliament of Trinidad and Tobago and to adopt as part of its records all the work done by the Joint Select Committee appointed to consider the matter in the last Session.

Mr. Wade Mark  
Brig. Joseph Theodore  
Mrs. Carol Cuffy-Dowlat  
Mrs. Nafeesa Mohammed  
Prof. John Spence  
Mrs. Diana Mahabir-Wyatt.

*Question put and agreed to.*

**ECONOMIC PHILOSOPHY**

**Sen. Dr. Eric St. Cyr:** Mr. President, I beg to move the following Motion standing in my name:

*Whereas* in early post-war years the economy of Trinidad and Tobago was actively redirected to providing enhanced infrastructure and higher incomes to the population through a policy of localization and industrialization and planning; and

*Whereas* with the slowing down of the industrial boom worldwide in the sixties there evolved a policy of public participation in industrial enterprises culminating in the resource based industries at Point Lisas; and

*Whereas* with the third oil shock and the new liberalization paradigm there has been since the eighties a move towards divestment and trade liberalization; and

*Whereas* economic activity thrives best in an atmosphere of clearly understood and stable economic policies;

*Be it resolved* that the Government of Trinidad and Tobago articulates its broad economic philosophy particularly regarding public participation in industry, economic liberalization and human resource management and its strategies for furthering the economic well-being of the nation.

Mr. President, the Government has now completed three years in office by which time it should have learnt the realities of the management of the nation and the economic system, in particular, so that this is an appropriate juncture at which to request of it—I may say, probably more strongly, require of it—a full statement of its economic philosophy and its perceptions of how the economic life of the nation should be conducted. I say this also in light of the shaky world economic circumstances, this latter reinforcing my point that it is most important that we hear what is the thinking of the Government.

I am fortunate in that, as it were, I am having a second bite of the cherry, having initiated on June 23 this Motion but, because of the early end of the last session, the Motion lapsed. Let me go straight into the Motion.

In my view, the fourth of the four preambles is really the most critical, namely that economic activity thrives best in an atmosphere of clearly understood and stable economic policies. In other words, if we know what is the philosophy of the Government and are assured that this is a policy thrust, barring the need as things evolve for minor adjustments—if we are clear on what is the broad economic philosophy—then business plans could be made with the confidence that those policies would be in place over the course of the investment cycle, so that major shifts in policy would not come which would render the parameters assumed in the planning process ineffective.

I say also that at this juncture, the economy is relatively stable and the performance has been relatively successful so that this is perhaps an important and appropriate time in which calmly to sit and chart the direction forward.

Let me say that I am not interested in this debate so much in the details of sectoral policies. I know we have a number of policy documents such as on the energy sector and, in the debate recently completed on the budget, we had a very comprehensive statement from the hon. Minister of Energy and Energy Industries on what is that sector's policy. We also have other documents on consumer policy and so forth. But, these sector policies are not my main concern here. What we would like to do is get in a compact way what is the economic philosophy of the Government and what are the specific strategies for the future.

Mr. President, as you may note, I have taken a historical perspective to this problem. The background is that this nation, Trinidad and Tobago, attained independence in 1962, coming out from a period of a couple centuries of colonial rule. We may pick up the historical background most relevant from the post war days when, it is clear to say that the broad economic policy was to maintain law and order so that the resources of this country, both natural and human, could be exploited by international capital.

**2.00 p.m.**

Just after the war, the state of the economy reflected a heavy emphasis on the production of staples for export with minimal concern for the standard of living and the welfare of the local populations.

Mr. President, the years 1946—1960, just prior to independence, experienced a debate in which, coming on the wave of our nationalist movement, we moved first into some ministerial representations and the involvement of the broad population in the economic policy formation. In that period we had the germs of the Arthur Lewis industrialization strategy articulated as the main policy by which the economy would be managed.

Mr. President, the bare bones of that policy was to develop secondary industries which would thereby employ large numbers of the labour force, both generating additional incomes in secondary activity and also changing the factor proportions in agriculture so that more capital could be introduced there, and productivity raised, thereby raising incomes in the society generally.

Mr. President, let me emphasize three aspects of that strategy. The first was that by giving fiscal incentives the necessary capital for developing our secondary industries would come in from abroad. That is the first point I would like to emphasize in that strategy. The second point is that because of the relatively small



size of the domestic market, the production of the manufacturers would have been largely geared to external markets and this would be reinforced by the capitalists coming in, bringing with them access to overseas markets.

Insofar as the domestic economy was concerned, perhaps the most important feature would be that secondary industries would absorb large numbers of the labour force. It is important to note that the prevalent view was that the level of skills required in these manufacturing industries would be relatively low and labour could be trained relatively rapidly to fill the large number of job places in secondary industries. So that at one and the same time we had in that strategy both the raising and distribution of incomes by way of the spreading of employment.

Mr. President, I emphasize that because when I come to discuss the present liberalization paradigm, one of my concerns is that of labour absorption. I am making the point that the thinking on how labour would be absorbed in the industrialization strategy was both implied and explicit.

It is well known that import substitution strategy—that development of secondary industry strategy—worked far less effectively than anticipated. To begin, not a great deal of foreign capital flowed in and international markets were far less easily penetrated. Thirdly, the additional jobs created turned out to be relatively few. Perhaps, one of the main issues here was that instead of pushing in the direction of export-oriented manufacturing industries based on cheap and efficient local labour, we got turned inwards, towards import-substitution industrialization with consequences for a low product quality and high cost. The main point is that this strategy did not bear the fruit anticipated in the 1940s and by the 1960s it was clear that this was not going to solve the economic ills of raising and distributing incomes and raising levels of living generally.

During the 1960s, just as the inefficacy of this policy was becoming evident worldwide, the world's economy slowed considerably and many of the local industries ran into trouble, so in order to save jobs the government found itself having to buy into many of these industries. So, perhaps not deliberately—perhaps rather by accident—we found ourselves coming into ownership of a number of industries here in Trinidad and Tobago. Many of them were not very efficient but it seemed both necessary and expedient for the public sector to participate actively in the ownership of those industries. I dare say what started as a necessary rescue mission soon got intertwined with the ideology of the state owning the commanding heights of the economy, a phrase which we all know.

That policy got tied in with the oil boom because when in 1973 the price of oil on the world market shot up from about US \$2.00 per barrel to about US \$10 per barrel, suddenly windfalls, both of foreign exchange and fiscal revenues, started to accrue to the country. The surpluses which flowed from these windfalls made it possible to do rather better with our industrial enterprises than hitherto seemed possible. So we slightly changed the strategy into the development of resource-based industries. The flagship here was the Point Lisas Industrial Estate which some 15 or so years earlier had been planned and had been initiated. What was done was that we were able to move in there and expand those industries.

**2.10 p.m.**

So we got to large state enterprises—Iron and Steel Company of Trinidad and Tobago (ISCOTT) and a number of others—at the Point Lisas Industrial Estate. One of the things we found there was that we were either not sufficiently skilled at managing these plants or we were not sufficiently patient at working them through. One of the examples I have is that I do not think that a company like the Stag Brewing Plant made any profits for the first 10 years. However, we seem to have expected the Iron and Steel Company of Trinidad and Tobago (ISCOTT) to have made profits from year one. It seemed to me, both in terms of our expectations of how we will manage this new strategy and our lack of experience in it, that we did not do a very good job.

There were other problems. For example, ISCOTT quite early ran into problems marketing its steel in the United States of America where anti-dumping charges were laid against it.

Mr. President, I come now to the third phase in this historical account—the third oil shock which came in 1986. It is good just to recall that whereas in 1973 the price of oil jumped from US \$2.00 to US \$10.00 per barrel, in 1979, the so-called second oil shock, the price jumped from US \$10.00 to about US \$35.00 per barrel. In 1986, about January, the price of oil went from about US \$29.00 to which it had fallen to under US \$10.00 per barrel. All the expectations in the country that had been built up and the financial resources that had been growing suddenly dried up, virtually overnight. Trinidad and Tobago woke up finding itself quite strapped for cash.

This third oil shock came just about the time that there was a major shift in worldwide economic thinking to the effect that state participation in industry should not be pursued as an active policy, but rather that there should be

liberalization so that most economic activity would be conducted by private sector actors. I recall that in the Caribbean Basin Initiative debates it was clearly stated by the then President of the United States that he was not coming up with a strategy that would give resources to so-called Third World countries. What he was going to do was put forward a strategy that worked. That was the liberalization paradigm which came with a number of other catch phrases, the Laffer curve on taxation being another.

The point here is that a country as strapped for cash as we were in the late 1980s had no option but to allow the international policies to take effect. Whereas in the 1960s and 1970s we could say that we would finance development out of our own surpluses, in the late 1980s one had no option but to go to the international financial institutions and they told us the terms under which one would access finance.

So we went through the years 1986—1991, the period of structural adjustment, where we had to cut our cloth to fit the suit; so we were all put into slim tight suits. It was a period in which there was quite some trauma; some drama perhaps, even in these hallowed Chambers. We came through that period reasonably successfully.

I say this because it is something we must keep constantly on the front burner. Whereas in many countries which go through similar adjustments the trade union leadership might have caused destabilisation, in this country our trade union leaders acted with the utmost responsibility in assisting the nation in making the necessary adjustment. I do not want to call names. Some have gone on; some are still around. We got the economy adjusted and the next phase was to stabilise it by getting some coherent policies put in place.

I think it was to the credit of this nation that even though the Government changed in 1991, the broad thrust of what the nation was trying to do was continued under the administration led by Mr. Manning, and we reasonably effectively got the stabilization done. Among the things we did, and I keep saying this lest people think I have changed, is that we liberalized the currency—a measure that I was not myself so sure about. By and large we got the economy going. It bottomed out in the early 1990s and thereafter we started to experience growth.

The present administration picked up many of the policies and programmes being pursued and many of the investments being negotiated. From all

*Economic Philosophy*  
[SEN. DR. ST. CYR]

*Tuesday, November 24, 1998*

appearances, they continued in the same sensible direction and perhaps brought new skills which enhanced our efforts. We are in the phase of liberalization, globalisation and we have to ask ourselves what the future holds.

In the resolution of the Motion, I am asking for a clear-cut statement from the Government on their basic economic philosophy. Elements would include their philosophy towards public participation in industry. What is their philosophy on state participation in the commanding heights of the economy? Is there room for state participation, or will it largely be private sector participation with implications for divestment policies?

**2.20 p.m.**

I also select the issue of economic liberalization and would like the Government to discuss its notion of markets and how they work. In particular, one of the markets about which we have to be very careful is the labour market and from what I read over the weekend and what I saw in the media over the last couple nights, we want to be very careful that we do not trigger from the top an uncontrollable wage inflation. We do not want to build up expectations in a way that we could not manage wisely the labour market in the next few years. So when we come to look at how liberalized our markets would be, not only for goods, capital and foreign exchange, but moreso for labour, we want to proceed with the utmost wisdom and a great deal of caution especially where there are so many infrastructural demands in the nation.

The third area on which I ask for specific focus is the problem of human resource management, because in a high technology, liberalized, globalized economy, one of the serious possibilities is jobless growth. I was rather impressed by rereading the hon. Minister of Energy and Energy Industries' statement in the budget debate in the last few weeks where it comes through clearly that most of the jobs being generated in the very dynamic energy sector are in the construction of new plants. Certainly there must come an end to the construction of new plants and so we cannot expect sustained employment opportunities in large measure from the energy sector.

The second possibility is for international niche markets for high tech, high quality goods. I was almost tempted here to just divert and say something about the Leontief paradox. It has been found that the exports of countries like the United States of America are rather more labour intensive than capital intensive so it seems to me that in a liberalized, globalized economy, the basis on which labour

might participate is on the basis of high skill, high technology and a great deal of enterprise. I believe that in the budget debate, the hon. Minister of Finance had begun to articulate some measures by which he was going to draw the younger members of the nation along that direction.

The final point which I want to make is that once we come to projecting into the unknown future, we need a theoretical perspective which would guide us because no one knows for sure what lies in the future and I do not think it should be anybody's guess which direction we should go. I think there should be an articulated understanding of how the thing works and on the basis of that understanding make a sensible trajectory as to the direction that we should take.

What I would like to come through in this debate also, is what is this Government's understanding of how the Trinidad and Tobago economic system functions and how it fits into the world system. I know that one of the key elements I am seeing is a heavy emphasis on foreign direct investment and I know from the debate that we are told that where financial markets are volatile, foreign direct investment is less of a problem than portfolio investment since financiers may pull out their funds and cause a soft market to crash and put everything out of kilter. But foreign direct investment also has its problems and I think in the long run, they even threaten the independence of the nation and the society, so where we go in the direction of foreign direct investment, I think we should go with measured steps as it were.

The second comment I would like to make on our understanding is how do we set about mobilizing all our resources; the human and the natural, and I keep saying that the neglect of agriculture is perhaps a serious problem with which we have to deal. One of the few economic sectors where, in the recent past, output has fallen is the agricultural sector. Whenever the export, the incorporated sector, and the energy sector are booming, we tend to find that the sectors which are unincorporated, producing largely for domestic consumption where lots of the so-called "small man" is concentrated tends to sag, even decline, and when the boom in the international sector ends we find that we do not even have those on which to fall back. It is important, in my view, in stimulating the energy sector where we are monetizing our natural resources to make sure that we do not destroy the residentiary unincorporated sector, and it is also important to note that those natural resources, oil and gas, are really of the nature of capital and should not be monetized and used entirely for consumption.

Finally, how do we promote this illusive total-quality nation in which equity and unity would be key elements? In terms of equity, I think it is pretty evident from all around us that income and wealth distribution in the country has worsened in the last five years or so and we would want, in my view, to start reversing that trend before things get worse.

With these introductory remarks—

**Sen. Prof. Spence:** Mr. President, I wonder if the hon. Senator would agree with the suggestion as to the way the debate might proceed. It is a pity that it was not initiated by the Government side so we could respond to the Government's policy and the Government could finally wind up. The way we have done it, if the Minister of Finance reserves his contribution to late in the debate, the rest of us would not be able to respond to articulation of Government's policy.

May I suggest one of two things: either we suspend the Standing Order so that the Minister of Finance speaks twice; failing that, may I suggest to the Government side that the Minister of Finance prepares his initial statement and let some other Member on the Government's side present it so that we can at least know what the Government's policy is, and the Minister still has the opportunity to wind up again.

I wonder if Sen. Dr. St. Cyr would agree with that suggestion?

**Sen. Dr. E. St. Cyr:** I would hope that very early we start getting the thoughts on the Government's side so that we could then comment on those and in my view, the debate would go much faster and further if we had early statements from the Government's side to which to respond.

**Sen. Daly:** Before my distinguished colleague concludes, I notice he referred to the twin pillars of equity and unity in the concept of quality, I wonder if he would care to comment on unity.

**Sen. Dr. E. St. Cyr:** I was going to look more at equity which is the economic side and leave unity, the political side, to the experts in that area, but by and large, they are two sides of the same coin so we really need to take both together.

Mr. President, in winding up, the question that I have in my mind is to what extent does the Government have and is willing to articulate its philosophy and strategy pertaining to the functioning of the economy in a way that we could clearly see which elements might help and which hinder the attainment of the goals of national economic progress.

I beg to move.

*Seconded by Sen. Prof. John Spence.*

*Question proposed.*

**2.35 p.m.**

**The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar):** Mr. President, I did not expect to speak so early in this debate, however, I have been pressed into service and I would, no doubt, hope to rise to the occasion.

First of all, I thank the learned Sen. Dr. Eric St. Cyr for presenting such a far-reaching Motion, which allows us in this honourable House to discuss a topic that has profound implications to the country, and which gives the Government an opportunity to articulate its position on these most important matters that are contained in the subject Motion.

To put my contribution in a proper context, I would like to repeat some of the salient elements of the Motion. Paragraph 2 of the Motion says:

“Whereas with the slowing down of the industrial boom world wide in the sixties there evolved a policy of public participation in industrial enterprises culminating in the resource based industries at Point Lisas;”

I think the operative terms there are: “...a policy of public participation in industrial enterprises...”, that is very important, also, “...resource based industries at Point Lisas;” which, in my view, is a direct reference to energy and energy-based industries.

The third paragraph is also very significant, it states:

“Whereas with the third oil shock and the new liberalization paradigm there has been since the eighties a move towards divestment and trade liberalization;”

I think those are two important terms there, “divestment” and “trade liberalization.”

In the final paragraph it states:

“Government should articulate its broad economic philosophy particularly regarding public participation in industry, economic liberalisation and human resource management and its strategies for furthering the economic well-being of the nation.”

*Economic Philosophy*  
[HON. F. GANGAR]

*Tuesday, November 24, 1998*

I think there are some significant operative terms in the Motion with which we on this side, and I hope those on the other side, both on the Independent Bench and the Opposition Bench, would deal specifically. For the sake of repeating myself, I would enunciate them once more:

“...a policy of public participation in industrial enterprises...

...in the resource based industries at Point Lisas;

...divestment and trade liberalisation;

...economic liberalisation, human resource management and strategies for furthering the economic well-being of the nation.”

Mr. President, Government’s economic policy is based on some very simple fundamentals, that is: providing for the citizens of this country an improved quality of life, while at the same time, promoting sustainable development in a manner which can be sustained. I think that any number of technocrats can give any number of definitions for sustainable development. But sustainable development, simply put, in my humble view means—I do not want to sound vainglorious as Sen. Daly would say—development in such a way where we, of this generation, will provide for ourselves without endangering, too much, the ability of ensuing generations to provide for themselves.

What I am saying is that the economic policy of this Government is based on providing an improved quality of life to its citizens, while at the same time, promoting and ensuring sustainable development. So very simply put, Mr. President, that is, in fact, on what our macro-economic fundamentals are based.

How are we going to set out to achieve this? Sen. Dr. St. Cyr, in his erudite way, clearly indicated the structural problems that the economy of this country has faced over the last 40 years and why we have had to reach the situation where we are today. We, over the last three or four decades, by a combination of circumstances, have had to rely on an over-dependence on our hydrocarbon resources, mainly oil and gas, for our developmental process. As Sen. Dr. Cyr says in his Motion, we have had the first oil shock, the second oil shock, the third oil shock and we are probably having another oil shock presently and this, more or less, has highlighted once again the structural deficiency of the economic development of Trinidad and Tobago over the past few decades.



The Government's strategy is to lessen the dependence on the oil and gas sector, develop the other sectors of the economy, while at the same time, recognizing that the energy sector continues to be the main driver of the economy for the foreseeable future.

**2.45 p.m.**

Again at the risk of sounding repetitious—it is part of my contribution—from 1986 to now, successive governments have embarked upon cumulative, structural adjustment programmes with the main aim of providing an open, free market economy. I will support the hypothesis or the facts as laid by Sen. Dr. St. Cyr. From 1986—1991 we had a structural adjustment period. From 1991—1995 we had a process of stabilization and from 1995 to the present, we have had a period of growth.

It is to the credit of successive governments in this country that we have embarked on such an ordered and orderly process and I think we as a nation must be very proud of what we have achieved. Although we have changed three successive governments we have, in fact, stuck to a very ordered and structured policy which has allowed us to reach the position where we are today, where we have experienced a growth of 5 per cent. I think all of us as Trinidadians and Tobagonians, must be proud of our achievements.

Getting back to the various headings which were raised by Sen. Dr. St. Cyr, the first one I would want to deal with is what is this Government's policy with respect to public participation in industrial enterprises. I think in the 1970s and part of the 1980s, when one looks at the historical development of the state sector in Trinidad and Tobago, rightly or wrongly, we opted for a very pronounced state involvement in virtually every aspect of industrial development in the country. Maybe at that time when the concepts of liberalization and globalization were not entrenched and the typical structure in the world economy was towards a significant presence of the state in the economy, that the involvement of the state in so many state enterprises was, in fact, justified.

However, it is sufficient to say at this stage that the experience world-wide and the experience in Trinidad and Tobago with respect to the involvement of the state in the running of businesses in general, has not been an unqualified success. We have had many examples which, even today, I have now become familiar with, for example, Secondary Roads Company, all sorts of companies all over Trinidad—which have gone into liquidation, have just been abandoned and we have not been

*Economic Philosophy*  
[HON. F. GANGAR]

*Tuesday, November 24, 1998*

very successful in managing these state enterprises for whatever reason. Again, a gradual process of relinquishment of control over certain sectors of the economy have, in fact, taken place.

This Government has, in fact, crystallized its policy and having due regard to the historical experience in the role of the state in the state enterprise sector, we have deliberately embarked upon a policy of closely examining our role in each state enterprise. As a matter of policy, each enterprise which we currently have, would be judged on its own merit. Again, as a matter of policy, the critical determining factor in deciding whether the Government would retain total or partial investment or control of a state enterprise, would be one question: Is this enterprise of strategic national importance? That is the single determining factor which this Government will use in determining the role of participation by the Government in industrial enterprises.

So therefore, Mr. President, while a case may be made out for Petrotrin being of strategic national importance, and also the National Gas Company, the National Petroleum Marketing Company Limited, National Quarries—and I will come to some of these later on—whether companies such as Trinidad and Tobago Methanol Company (TTMC) which, as you know, we took a decision last year or the year before, to divest our 67 per cent holding in that company, we were guided by the principle whether the Government of Trinidad and Tobago needs to be in the methanol business. The answer is no and that is why the decision was taken to sell our shares in the Trinidad and Tobago Methanol Company because the manufacture of methanol is not of strategic national importance. However, any time we go to put a company on the selling block we have to ensure that the sale is conducted in a transparent manner.

Similarly, Mr. President, we have to ask ourselves in respect of Tringen, where, as you know, we have 51 per cent and it is operated by Norsk Hydro on behalf of the majority shareholder, the Government of Trinidad and Tobago. The question arises and will arise sooner rather than later, whether the Government of Trinidad and Tobago wants to continue in the business of manufacturing and marketing ammonia. Similarly, the question of a company like Tanteak which came up for discussion last week Tuesday when we were debating the Sawmills (Amdt.) Bill and the Forests (Amdt.) Bill. It has been a constant thorn in the sides of many governments and really, there seems to be little or no future in which a company like Tanteak could bring to the national patrimony or the national Treasury. So again, the Government has to take a very close look at a company like Tanteak,

whether we need to maintain 100 per cent shareholding or a majority shareholding. So all these will have to be judged on a case by case basis.

One of the other problems we have with investments in the energy sector in Trinidad and Tobago, is the significant amount of capital investment required to acquire even a 10 per cent shareholding by locals. We have what some of us consider, including the Government, a dysfunctional arrangement where the major entities in the energy sector, particularly in the downstream petrochemical industries, are all foreign-owned with one notable exception, and that is the C. L. Financial group of companies, which has a significant shareholding in the Methanol group of companies.

What the Government has decided as a matter of policy, is that all new investments in this country must make 10 per cent of their shareholding available for locals to participate. While this may sound very good, one has to understand the significant burden such a condition would place on the financial sector of Trinidad and Tobago. For example, in the recently signed agreement for the Aluminium Smelter Plant in Trinidad and Tobago where Norsk Hydro, after significant negotiation, agreed to reserve a 10 per cent for nationals of Trinidad and Tobago in an investment of US \$2.6 billion that amounts to US \$260 million which is somewhere in the region of TT \$1.5 billion, I do not know if the financial capacity of Trinidad and Tobago can, in fact, permit such an investment. But the thinking is there, the intent is there and the Government is moving along that particular line, where the financial fortunes of the National Gas Company allow it, it will hold a 10 per cent in trust for the people in Trinidad and Tobago in all these mega gas-based projects to be divested at the appropriate time. So that is one mechanism for public participation in the industrial sector of Trinidad and Tobago.

There are the other companies which are key to us. As I said, for example, Petrotrin, National Petroleum Marketing Company and National Quarries Company Limited. These companies have all returned to significant profitability over the last two years. In fact, all of them have reported highest profits ever in their history to the shareholder. Particularly, National Petroleum Marketing Company and National Quarries.

Again, getting back to the philosophy Sen. Dr. St. Cyr is driving at and what he is enunciating, the philosophy is that if a company is not of strategic national importance, the primary action is to return it to profitability and efficiency and divest it. In the case of National Petroleum Marketing Company, Petrotrin and National Quarries, our preferred approach at this stage is, if we are divesting, the

*Economic Philosophy*  
[HON. F. GANGAR]

*Tuesday, November 24, 1998*

Government will retain majority shareholding and it will be divested to locals to allow local participation in the energy sector in Trinidad and Tobago.

In other words, we are seeking to maybe, recapitalize these companies via issue on the Stock Exchange of Trinidad and Tobago. Certainly within the first half of 1999, we would see what could be done with respect to National Petroleum Marketing Company and National Quarries. With respect to Petrotrin, one has to realize that Petrotrin is a much bigger company and it has certain loans with multilateral lending agencies and we will have to explore the possibility of such an approach. But the intent is there that profitable state enterprises, particularly in the energy sector, locals would be given an opportunity to invest in such companies.

**3.00 p.m.**

For those of you who may not know, the Energy Policy Green Paper was laid in this honourable House with respect to how we see the role of the state evolving in the energy sector. I took the opportunity of having it reproduced in one or two of the Sunday newspapers; not as a publicity gimmick, but as a means of educating the general public of Trinidad and Tobago about the intention with respect to the evolution of the country's energy policy. That was disseminated to the national community over the weekend. I would just like to read a brief extract from the Energy Policy Green Paper with your permission, Mr. President:

“The primary role of the State as a facilitator in the sector must be to focus on promoting and encouraging private sector involvement. The local private sector will be afforded opportunities to actively participate in the development of the sector. While the financial circumstances and expenditure obligations of the Government will not always permit direct investment, it is recognized that there will be specific instances in which such investment may be necessary.

The Government has made considerable investments and has direct control of three energy sector companies, viz the Petroleum Company of Trinidad and Tobago (Petrotrin), the National Gas Company (NGC) and the National Petroleum Marketing Company (NPMC). These companies, though autonomous in operational matters, have an important responsibility to implement Government's policy in the energy sector. They represent the country's investments in commercial operations in the energy sector and are, therefore, expected to perform with the highest levels of efficiency.”

I dare say that we, in fact, are achieving that. The Government will be vigilant, therefore, in ensuring that this objective is achieved. That really deals with Sen. Dr. St. Cyr's first point with respect to how this Government would meet and treat with the question of the policy of public participation in industrial enterprise.

The other policy matter which Sen. Dr. St. Cyr raised in his presentation, and also enunciated in his Motion, is the question of how this Government feels about economic liberalization. Again, similar to sustainable development, any number of economists can give any number of definitions about economic liberalization and its twin, globalization. Simply put, liberalization and globalization in our view, mean an open, free market economy which allows a relatively unrestricted, across-the-border transfer of people, technology, goods and services. That is what we understand by the term economic liberalization and globalization.

How do we feel about it? As I said, among other things, we have adopted a very practical approach to how we do our business in this country. As a matter of policy, this Government believes that foreign investment is critical to the development of this country, particularly so in the energy sector. We believe that if economic liberalization and globalization are pursued in a manner which is consistent with the definition of it, we can have a beneficial relationship between the host country, such as ours, and the investing partners, such as the foreign multi-nationals. It is a win/win situation which would allow both the investor and host country to mutually benefit.

We have embarked upon a policy where we are an investor-friendly country, probably second to none in this part of the world, yet we wish to maintain our respect and people, when they come here to invest, must respect the customs, people and traditions of a country such as Trinidad and Tobago. So, we believe again, as a matter of policy, that foreign direct investment is imperative for the growth and development of our country, and as a strategy, as a policy, we actively promote the attraction of foreign divestment in this country.

I am not prejudging what the Minister of Finance is going to say, but I am sure he is going to deal in some detail with some of the initiatives which we are going to introduce in the very near future. We are in the process now of finalizing an Investments Promotions Bill which would supersede and/or complement current legislation with respect to the Fiscal Incentives Act and the Companies Ordinance which would streamline the investment procedures to be followed in this country, and set forth clear guidelines by which we would offer fiscal incentives to not only the energy sector, but certain targeted areas of industrial development which are

*Economic Philosophy*  
[HON. F. GANGAR]

*Tuesday, November 24, 1998*

required to widen and deepen the economic base of Trinidad and Tobago: the information technology industry, floriculture, agriculture, aquaculture; downstream industries. So, we will be making our Investments Promotions Bill much more flexible, which would allow us to target, specifically, certain industries which we feel would be absolutely essential to diversifying the economic base of Trinidad and Tobago and creating forms of employment for the people of Trinidad and Tobago.

One of the final points which Sen. Dr. St. Cyr mentioned and has in his Motion is the question of human resource development and human resource management. We, as a country, continue to look at this on a global basis. I am not the most authoritative person to speak on this, but what I am saying is that we are committed to widening the technological capacity of the human resource base in Trinidad and Tobago. Every contract we negotiate with our foreign investors, we ensure that suitable provisions are, in fact, in place for the training of our locals. In the recently signed project agreement for the aluminum smelter plant with Norsk Hydro, Norsk Hydro has committed to an initial cash contribution of US \$2 million, pre-startup training for locals of Trinidad and Tobago at an estimated value of US \$8 million, and an annual training budget of US \$750,000. All of these are to be spent for the development of locals in Trinidad and Tobago.

**Sen. Prof. Ramchand:** Mr. President, while the Minister was mentioning the training possibilities, are any of these training programmes or schemes done in collaboration with UWI, or can some way be found to help fund UWI through these agencies and leave it to UWI to develop appropriate programmes?

**Sen. The Hon. F. Gangar:** That is a question I would rather not answer, but I would answer it. Mr. President, when we negotiated the sale of the Trinidad and Tobago Methanol Company, one of the conditions we extracted from the buyers was that a chair in petroleum engineering be set up at UWI to be funded by the buyer at a rate of US \$100,000 per year. That is almost two years ago, and that chair in petroleum engineering has, up to this day, not yet been established. When this Government and this Minister feels that the university is responsive to doing these things, then we will actively see this participation. Response is important. My reputation is not someone who wastes a lot of time. I would have rather not answered the question, but I had to answer it.

So, as I said, with respect to the question of human resource management, we actively pursued in our area of technology development the nurturing of our skills.

Our National Energy Skills Centre has now achieved almost worldwide prominence as a vehicle for development of skills in this country. We have so much construction going on and we have had to import virtually no foreign labour to help us do any of this. It is testimony to the efficacy of our training programmes.

Again, there was much debate about a year ago on the question of setting up a technical university. We are about to commence construction of a centre for advanced technology in Trinidad and Tobago which would provide a bachelor's of technology programme having trained a technologist accredited and certified by internationally recognized institutions worldwide to allow for that gap between a technician and an engineer to be filled, which is so important in a country at its current stage of development such as Trinidad and Tobago.

I have just put in a small capsule, Government's policy, in order to open the Government's batting on the question of policy as it relates to Sen. Dr. St. Cyr's Motion. I am sure my other distinguished colleagues on this side will want to add their contribution, so I would not prolong any further. I thank you very much.

**3.15 p.m.**

**Sen. Muhammad Shabazz:** Mr. President, let me begin by congratulating the hon. Senator for bringing this Motion to this honourable Senate. I feel that this Motion was really brought in a sincere manner, it was not brought to put the Government on a spot, but to help them look at their policies, look at the way they are administering them and to work out whether they are on a positive course and what is necessary to stay there.

This regime has been very fortunate. They came in at a time when the indicators of the country were very good, the reserves are high, unemployment going down, inflation manageable. When we look at the things that are happening in the global economy, Trinidad and Tobago must be cautious and very watchful. Mr. President, I am certain that no one in this Senate, particularly on this side, would be callous enough to want to see the economy of this country going badly. Sometimes when I watch the way in which some of the people on that side carry on, I wonder. Let me just explain what I mean.

In Dr. St. Cyr's presentation the last time—and I have observed that he has made some very cautious changes this time in how he has put over what he has said—he said that the economy was performing at a good level; this time he says it seems to be relatively successful and that as we are not in a time of crisis it is a good time that we could take stock while we are not panicking about anything in particular. This

was presented to this Senate five months ago. Within that last five months we had a budget presentation and, if this Government was indeed listening, and if they were taking note, in that budget presentation, we would have had a policy formulated and put forward here already and this Motion would not even have been necessary in front of this Senate today. They are, indeed, not listening.

You see, when we stand here and when I stand in this Senate and hear them make their presentations about the things they intend to do and how they are going to be doing them, it sounds very noble. The problem seems to be what they are saying at other times and at other places.

Let me just go a little further into what Sen. Dr. St. Cyr has said. He made the point that during a period when they ran into difficulties in order to preserve jobs, by and large, the state found it necessary to nationalize or to take over many of the falling companies. It was very noble. He said it was not good economic policy, but in terms of social impact, it made sense. I think that is where the whole thing has to lie, and that is one of the problems that we seem to be having with a number of administrations in this country. One of the problems we have is that somehow they seem not to consider that social fabric, what happens with the society, the impact they make and they seem to go down that road that is basically a stringent economic road. Maybe it is necessary, but we have seen that at times when we try to make that operate, it is a very difficult thing to happen. Why? As a matter of fact, I think in the NAR administration, I think that was from 1986—1991, this same stringent economic policy was tried, the effort, the idea was noble, but it is very difficult to try all these economic policies and not take that social fabric or the social impact into consideration.

I would like to just quote Sen. Dr. St. Cyr once again. I think he understood it here very clearly:

“The third and most important is, in my view, the policies regarding human resource management and development, because I firmly believe that it is human ingenuity which determines all things. One may have a certain red type of mud which is nuisance, they call it bauxite now, but 100 years ago, probably 60 years ago, it was probably nuisance. It is human ingenuity which determines whether some physical thing is or is not a resource. Most of the technology that we say is the determinant of productivity in so many cases is embodied in the human resource.”



Really, that is where it is. Mr. President, I do not care what plans—and I am saying, even if this Government had a plan, and they were unable to motivate, they were unable to bring together that human resource, the genius, the ingenuity in the human being—nowhere, could this thing go forward.

In addition to which, this Government seems to be saddled with a problem. Their main problem is, although they have found all these things, yes I have heard the Senator speak about continuing much of the good work that was done, the question is: are they continuing to do that work or are they, indeed, undoing much of the work which was done? These are the things we have to look at. These are the critical problems and situations in this time. What are they doing to foster that human spirit and to gather that human resource to take this country forward in the way it should go?

I heard the hon. Minister and the normal kicking ball. He said that 30 years ago there were infrastructural and other problems which hindered this country from moving forward. I would like to clear the air on a number of things here. Over the first 30 years—I guess everybody keeps referring to that PNM period—let it be noted that the PNM spoke very early in terms of five-year development plans, where one could have found them and one could have understood where the country was going, what direction and, at least, where we intended to take the country. We presented budget speeches that outlined what we had intended to do for the year, for the first six months of the year, and for the rest of the year. We came back here and what we did not do, we presented and we said how we were going to do it. That was the policy, that was the direction in which the thing would have gone. There were many structural developments. Those things were done and they were done with proper reasoning. A number of these things I will point out to you here.

For 30 years—people tend to think, and I always believe that what they are saying is that in 30 years everything was going so wrong, but the people were so stupid that they kept this government in power for 30 years. That is the difference from all the other administrations that came. We understood what it was to pull this human resource together. We understood the social impact and that one must deal with that. They say we are too soft and a number of different things, but we understood that and the people kept the government in power for 30 years because there was a very serious belief that the country was going in a certain direction.

*Economic Philosophy*  
[SEN. SHABAZZ]

*Tuesday, November 24, 1998*

Today, the peacefulness, and a number of the good things we still see happening in this country, has to be contributed to the past administrations of this country, particularly the past PNM administration. I am certain about that. [*Desk thumping*] Listen to some of the things which happened, Mr. President. The National Insurance Scheme Act—we do not have to come and say who put that into place—was brought to organize people, to be able to give people hope, to give people some sort of way to live beyond age 60 and retirement. That was the work of the People's National Movement government. Now, anything that is done or any rate that is adjusted, credit is given to it and it seems as though the PNM has done nothing, that they were not even responsible for bringing the Act, and they did it without thinking about the people.

We look at co-operatives formed in this country. We look at the banks, Workers Bank, First Citizens Bank, National Commercial Bank; there was a reasoning behind all these things, to give people hope and ways to put their money, to be able to save at a different level and hope that these businesses would have been successful. Today when we hear people talking about getting a new bank, they talk about it for a different kind of reason. The PNM was responsible for these types of things. The Industrial Development Company, mortgage finance companies, small business, and a number of things that happened in the energy sector.

We speak about Point Lisas. Do you know that in 1978 the South Chamber of Commerce wanted to build the port in Point Lisas and they were unable to do it, they were trying to sell shares to do it; it was the PNM government which came and bought over 90 per cent of shares to enable them to do the work that they did at Point Lisas. Today, Point Lisas is a success story and no credit seems to be given to the PNM for that success story.

It is always like we did something wrong, or it should not have been done that way, and when people talk, in that period, about the question of—yes, we went to energy, but what could we have done? There was 65 years of gas in the ground, we had to do something with it. Maybe there was a shift to energy, but energy at that point was a very important thing for the development of the country, to bring more money into the country and to lift the standard of the country. It was the quickest, fastest and best way at the time. We managed that in a very prudent manner.

On the question of where we were going and why did we? We were in a position where it was easy to develop the energy. We went to things like ammonia,

and not only ammonia, we even went to a number of other industries, other than just flaring the gas and wasting it, harness the gas and do business and, today, this is why Trinidad and Tobago is in as stable a condition as it is now.

We loaned money to the Caribbean. We talked about developing Caricom, lending money to all the countries in the Caribbean and making sure that we fostered good and proper relations among the Caribbean countries. That was a PNM government.

Today we see they are writing off debts. Guyana, the biggest debt, written off, they have their reasoning. Why only Guyana? But we are still asking them to bring in some of these moneys which are out there; not only in cash but in kind to help to develop the country.

There are a number of other things that we did besides building all the industrial estates, for example, the Point Lisas Industrial Estate. We did not think where we were going to build it, we knew it was necessary and it had to go somewhere in Trinidad and we did not think about where in Trinidad it should go. The La Brea Industrial Estate, even though many people said it was not necessary, that again was going in a certain direction. It has been moved. How and where it is going are still questions we are asking.

With regard to the Unit Trust, a success story, not only in Trinidad and Tobago and the Caribbean. Where Unit Trust came from, it was the good guidance and brain work of the People's National Movement administration at that time, and we must be given credit and continue to be given credit for what we have done.

I am not just making a case for the PNM. The last time Sen. Montano was speaking here, he was trying to show, at the National Flour Mills, that because of how things were going, we were having a problem with bringing people together and trying to get that kind of confidence in the Government that the Government was looking for. One of the Senators got up and said, I raised the question under Point of Order 35(1), because I find it very difficult to understand the thrust of the hon. Senator's contribution with respect to Dr. St. Cyr's Motion. You see that is very important. Even at this time, it is a much more practical situation. It is something the Government has to look at, how they administer their policies, the things they do and why they do them and it must be done in a framework, in a way that people can understand, that people can know where they are going. Many times much of the good things they are doing, the reason it is not going and getting the results and people seem to be objecting to it is because people do not give

*Economic Philosophy*  
[SEN. SHABAZZ]

*Tuesday, November 24, 1998*

them that trust and are not feeling that it is done in a framework for the country as a whole.

I have just heard the hon. Minister speak about the type of enterprises that they would go into and it must be for the national importance, but outside there, one is hearing about building hotels in certain places and one wonders whether this Government's heart is really in the right place.

I can go through a list of things that have been happening since this Government came into being and a number of things that they have done since they have come into power that make it difficult to pull this national force that they want in order to ensure that their policies are carried out and given the type of thrust that they should be given.

**3.30 p.m.**

Mr. President, remember the firing of the chief executives, people are wondering. Any time you make any statements against this Government—this is the truth, how can you? If the calypsonians sing about them, they do not want them at their functions. When the Senators speak out against them, they do not want them and criticize and find things to say about them. When the media write about them, they find all sorts of ways to come against them in a very harsh way. These are very difficult situations.

If in three years there is no plan, policy or framework, we are really in trouble at this point in time. I think that whatever this Government may say at this time, I still think that it is not going to come up with a proper plan to take this country forward in a very serious way.

We look at a number of other things that this Government has been doing. We can see what is happening in local government. How do you get your local government bodies to work for the good and harmony and in sync with this Government? This is very difficult, when in every area of local government that is run by the People's National Movement, they seem to just want to create mischief.

In three years, the People's National Movement gave a number of holidays to this country. In three years, these people gave one holiday and there is a lot of confusion and divisiveness around it. The point I am making is that, you cannot talk economic policies and not talk about—as Sen. Dr. St. Cyr said in his first presentation—the human resources of this country. You cannot talk about how these would impact, unless there is social impact; it is very important. We must look at this when we are talking about policies.

Look at the situation with the airport. How can people think about investing, or really believe that something positive would happen, when what has been happening with the airport continues? First it was here in the Parliament that all decisions were made, that is no longer so. The question of whether we passed a Cabinet note, or gave NIB the rights to do this project, nothing like that was said. We told them to look out with this situation at InnCogen. Do you know what happened? Foreign investment is critical, but InnCogen is now saying that it would make anything in the region of \$800 to \$900 million profit over a short period of time. Then you wonder, who is asking to come and invest?

Mr. President, do you know what is the problem? When you look around, the indication is what is happening on the stock market. Five months ago our stock market was turning over \$100 million a week. We are only doing \$39 million now! Not only are we doing less, but prices are going down and this Government seems not to be taking notice of that.

I like them, because they speak positive all the time, but I do not know if positive speech alone will do it. That seems not to be the only answer. The hon. Minister of Finance tried to raise \$200 million on the local market at a certain percentage, he had to take less money at a higher per cent. Yet they are telling you that everything is going all right and the country is going good.

It is the way they are handling things. People are not believing them, so it is difficult for them to take the country forward. I think Sen. Dr. St. Cyr is very brave, because I feel that with this Motion he has brought here, sometime or at some gathering he might be attacked. [*Laughter*] It is a very serious thing. Last week I heard that when Sen. Prof. Kenny spoke in the Senate, somebody looked at him, and Sen. Prof. Kenny said, "You are looking at me as though I am going to be scathed." People are talking with a different kind of feeling. It may seem to be a joke, but they are serious jokes. I think that those kinds of jokes in these times are indeed serious.

People may laugh at it, but that is what the country is coming to; people are afraid to talk, or even invest. How are we going to develop the economy? There are a number of fears around. The media is even afraid to go to some of their meetings at this point in time. There is a type of fear lurking in this country.

They talked about crime! People are afraid to get involved daily. They are saying that the crime rate is decreasing, but, Sir, I am not seeing that. Since I live in this country it is very difficult to believe that the crime rate is going down.

Then there are other problems. From Sangre Grande, Toco/Manzanilla to Chaguaramas, all fire stations have one fire ambulance operating, and this is under a total quality Government! When I went to the fire station I was told, "That fire ambulance is down, Sir, at this time" And they are laughing and joking about that! Today when you want an ambulance, you have to call one of these private services and pay \$150 to get an ambulance, and that is quality in a total quality nation!

They feel that all the protests and demonstrations are the only things that the PNM does; raise up people against them, but that is not true. People are not satisfied with what is happening in this country, and since these things continue, it makes it difficult for the same foreign investment that the hon. Minister spoke about bringing to Trinidad and Tobago. It is indeed a sad thing!

We can go on and on as we look at a number of things happening in the country, and the promises they continue to make. The question of Whitehall came up recently—I wish Sen. Baksh was here—it was supposed to cost \$5 million to bring Whitehall back. We know that the hon. Prime Minister would really like to sit where the most distinguished Prime Minister of this country sat before [*Laughter*], so they said that they would restore it at a cost of \$5 million. It reached to \$13 million, now it is \$20 million and still not finished. That is a cost overrun of over \$15 million and it is still going on!

Mr. President, do you know that the Red House is leaking and if it rains now we may have to close off this session? They are not talking about fixing where we have to administer the people's business and laws must be made, but they prefer to fix Whitehall and have cost overruns. People are starting to feel that the money is going to—I do not want to talk about friends and fixing their business and all that kind of thing. When you talk like that, they go out there, get on a low and say all kind of things about you. Maybe they do not get on a low but they get on a high and say all kinds of things about you. [*Laughter*] [*Desk thumping*] Like my leader, I will take a drink on that—of water, Sir. It is a serious thing that is happening in this country. [*Crosstalk*] [*Interruption*]

Mr. President, I was a bit disturbed. At least we do not have anybody snatching away our glasses though. [*Laughter*] At a time when this country should be talking very seriously about developing, these are the kinds of places money seems to be going and we seem to be confused.

Regarding National Flour Mills, they are now doing an enquiry. The shipment of rice still has not reached here, but \$30 million of the people's money has gone

just like that; and that is nothing, because they write it off very easily. As I said before in this Senate, they really like to deal with US millions. They do not talk TT millions on that side again, but only US millions. The sugar mill, \$20 million, that is about US \$3-odd million, and that is how they keep going.

The hon. Minister on that side is my friend so I would stay away from Ken Soodhoo and so forth, because that is the only thing that is upsetting. [*Laughter*] But that is an issue too in this country. They take on nobody and listen to nobody, and however you tell them they seem to get vex when you talk. No policy, no philosophy and no vision! Well, they do have a policy, which seems to be friends first, ourselves and friends, and whatever happens to this country, who talks about it could say what they want, they will get vex with them, and at the end of the day whatever happens, happens!

We talk about the global policy in relation to the things happening in this country. If we look all over we will see that Trinidad and Tobago is the only place with the hope that everything would go well. I read somewhere in the newspaper today that the Minister said things may not turn out to be what they were supposed to be, because of falling oil prices, and that he is getting more taxes from the people than from oil. I will like him to explain that a little better.

When we see what is happening in other countries such as Russia, Indonesia and going right up the line, we need to really take seriously what Sen. Dr. St. Cyr has put forward and come up with a policy within a very short period of time. As a matter of fact, I felt that we should have had that policy within the last budget, but since we did not, we should come up with it quickly. Sit with the Opposition, and if they do not want to do that, form a national unity with the Independents and sit with them, get good ideas from them, and come up with some policy to present to this nation to show us that you are on a track, running in a certain direction to take us forward. Do not do things ordinarily without a policy.

If they are talking about computerizing the country, that is very important, but do it with a philosophy and with reasoning because the world market is opening up and we can sit here with a computer and do a number of things on an international scale.

The used car business was not a very bad idea, Sir. If they are bringing foreign used cars it should be done with a philosophy: change the gas tanks so that they would not pollute the air, bring them to other things that would not pollute the country. They said that when they brought the foreign used cars here they were

*Economic Philosophy*  
[SEN. SHABAZZ]

*Tuesday, November 24, 1998*

polluting the country. Do you know what they did? They removed the licensing of motor vehicles, so a number of people who had cars that were not roadworthy, because there was no licence requirement, brought those cars on the road. That was more pollution than all the foreign used cars that were brought in.

That is how they do things: they do one thing here, then change it there; and when you tell them they should not do it here, they say that they are right. Then they do something else, and when you talk about it, they say that is it. That is the way they go all the time. They should understand that many people are looking at what they are doing. I keep telling them that, but they feel that I am fighting the Government or objecting to the things they are doing.

Do you know why people are protesting in Mayaro and all these other places? They feel that the Government is fixing roads and doing things only in the areas that supported and voted for it. [*Interruption*] It is frightening!

We have certain problems coming up in this country. During the budget debate I spoke about something: the security of a country is a very vital indication as to where the country is going. I do not have a pitbull or some other high breed dog, but in Trinidad and Tobago if you have a pitbull or good security in your yard, you sleep better. I do not and will not walk with arms, but it seems the people who walk with arms feel a little more confident.

During the budget debate we told the Government to pay the soldiers their money, and there was no money. They promised them to do so up to the 19th, but to date they have not done so. There are problems in the army of Trinidad and Tobago, and I state that without fear and categorically. People are resigning, there is infighting, people are being moved and are not being paid their money. I am sure of that. People are calling and asking me about it. I said in the Senate the last time that there is going to be a march. When is the march going to be? If people are not paid, the march will be on the second Tuesday in December, for the soldiers' families.

I am frightened and concerned, and as long as that continues my country is under problems. With all the things that have been happening throughout the country, what is now happening with the army is something the Government must look at. I am asking this Government to please pay the security personnel of this country.

I am asking Sen. Gabriel to ask them because I feel he has the Minister's ear. [*Laughter*] You must have a policy on the defence force, but the way it seems to



be mashing up, there seems to be no policy on it. They are destroying the morale of the soldiers, and we would need them to protect this country when something happens. They were promised their money, they have worked for it. They are under harder conditions than any other people because they cannot strike or anything like that. Please pay them their money.

They do not speak about the education policy and the things that the PNM government has done for education in this country. They tend to feel that we did nothing for education, although everybody sitting on that side—probably besides Sen. Moore who did not go to school under the PNM government, he must be one of the elder brothers, but at some point he must have gotten some PNM education—got a PNM education. [*Interruption*] I did not know that Sen. Williams was one too. [*Laughter*] Free education! What is the policy with UWI?

### **3.45 p.m.**

In the oil boom we sent money and assisted every country that had a university to help to make education in the Caribbean better. They want to bring a different feeling among the people that, indeed, that is not so. That is, indeed, so. Of course, after running a country for 40 years we must have had problems. We are not saying that we were perfect but we are saying we were far better than the rest that have ever run this country.

Mr. President, do you remember their promises? They promised the people lower food prices. We have it on record that food prices are going up. They promised them interest free loans. What is happening? Well, no need to talk about the millions for single mothers. Funding to build a headquarters for NATUC.

What is happening with the trade union movement? One of their Senators—we talk about building the economy—is the head of a union that represents media workers and you hardly hear his voice. He made a very couched statement but you hardly heard his voice during that period. Nobody could say anything against what had happened. They all seem to think it is right and who did not feel it was right just remained silent. What has happened with the media in this country has reached international levels. People from CNN and so forth picked it up and they are asking people to come into our country and invest. A serious, serious thing, Sir. We are going through a serious period in this country and this Government should take stock and note what is happening with them.

Remember the favourite promise, Sir? A debt is a debt and must be paid in cash. Those are the kinds of promises made and not kept. People are wondering.

*Economic Philosophy*  
[SEN. SHABAZZ]

*Tuesday, November 24, 1998*

Today when I picked up the Order Paper I see at the top of it “Senate of the Republic of Trinidad and Tobago” and the first holiday they removed was Republic Day. I must say this, and I will always emphasize, that they removed Republic Day and went to another country to celebrate Republic Day. Not only did they do that, I will show you how much they promised.

These things look as though they are not important but these are the kinds of promises they make and continue to make. There is a promise they made quite in India and the relatives of the Prime Minister are saying they still want to come to Trinidad. He went quite to India and promised and he keeps making these kinds of promises that he is not keeping. When this Government goes to India and promises and then asks India to come and do some kind of business, they wonder why they do not even keep their promises.

Sir, this is the weekend *Independent* of Saturday, June 6, 1998. Another promise. These things may seem not to be relevant. When you tell them about things that are happening, for instance, InnCogen, do you know what they say? There is a \$4,000,000 man who is still in the PNM and we will tell you about him in a month’s time for sure. Seven weeks have passed and we have heard nothing about that man. They just raise all these red herrings, smoke screens and nice talk to make the country feel that they are taking it in a certain direction.

No policy, haphazard planning and only public relations gimmickry. That is how the nation is seeing it. Could you motivate a people to go in a positive direction when that is their perception people of you? Really and truly, this may not sound right and maybe I am not saying the right thing, but we on this side have to go through an election to come back into government and we will when that time comes. I think, perhaps, they should either join with the Independents or give the Independents the country to run for the next two years. I think it will be run better.

There are all types of divisions among them. In the papers now you are reading that one Senator calls another Senator in his office and when he goes the other is searched and they run out through the back door. When they do all that and ask people to build this country and have confidence in the Government, that is very difficult to do.

We look at what is happening throughout the area: flooding. What is their policy on agriculture and flooding? I wish the Minister of Agriculture, Land and Marine Resources or the Senator would tell us. I want to hear. Mr. President, I

would like to know. Are we going to develop agriculture in the way that hon. Senators have been asking? Seeing what is happening with oil, now, more than any other time, agriculture should be developed for export, to bring foreign money in and make this country a better place. I would surely hear one of them say the PNM did not do it. What have they done for agriculture? We did, but this is their time to do it better than we did!

This is a time now when oil is not as it was. We ran this country at a time when the price of oil was \$9.00 a barrel. Mr. Chambers did that with his administration. They are still a little better and they are bawling. They are using the public relations gimmickry to make people feel it is not as bad as it is. But it is that bad because, as I have said, if the Minister cannot raise this \$200 million on the local market, the indicators are not so good.

The last time before we had the budget it was quoted here that one of the Ministers said that the deficit would have been anything like \$2 billion. I never forgot that day the hon. Minister got up here and said, "I am the only Minister of Finance and I say it is nothing near to that". When they read the budget it seemed to be very close to that. The deficit seemed to be very bad and I can safely say—and the country is aware—that what saved them is they were able to change the financial year to bring it earlier. So, we are hoping and waiting.

Really and truly, I would like the economic policy for this country be put forward in the next six or seven months, so that we know where we are going and we can stand with this Government to help them through the crisis during that time. It is going to happen. They were to eradicate poverty and vagrancy. I do not think that is happening in the city. Probably they are doing it somewhere else. No policy, no philosophy on vagrancy.

The AIDS crisis in this country. What is their health policy? As I have said, one ambulance. Do you know how many people are dying in the hospitals and how many other things are happening there? Simple things: medical supplies, medication. Nothing happening in the health service. How can a government feel good to hear that 35 of their citizens every month are contracting HIV and they are not even thinking about making a statement or doing something serious about it? Then they are asking people to come here and invest!

They are building hotels to bring people too. They are trying to develop the tourism industry. Could it be done with that kind of no philosophy, no policy? Maybe they are saying if they take the hotel to central it would be safer. You see,

*Economic Philosophy*  
[SEN. SHABAZZ]

*Tuesday, November 24, 1998*

this is a frightening thing: when the whole nation needs to be motivated and spurred on we hear the Minister telling people the only place that jobs would not be taken is Caroni (1975) Limited. I have no objection to that.

They are talking about building a hotel. They are building the industry in Tobago, but they are talking about building it now in central. I think that is taking it to the lowest or, maybe in their case, to the highest. Just a philosophy or policy by this Government.

When we look at domestic violence—I do not want to talk about that because I might get into trouble. When people hear talk about domestic violence you can get into trouble. When we look at what is happening with domestic violence in this country, something is wrong. I can boast and say this here, I may have done other wrong things but I have daughters and I have never hit a lady with my hands. Not even my daughters. I never hit one. I am saying it and I mean it. Domestic violence is a serious thing in this country.

Rape, incest, abandoned children, vagrancy, drug abuse. What are we doing? We are talking medium term, short term and macro economic policies. These things have a negative effect on investors coming to our country. We will hear everybody talk about the economics and the shift in the paradigms and all the other things and there will be nobody to help the population understand. They would, indeed, feel that it is a waste of time because nobody would help them to understand that their leaders have no philosophy, no real policy and a number of these things that we talk about are affecting how the country moves forward. They do not want to understand this, that is why they took no note of Dr. St. Cyr's Motion.

They want to talk about how much billions—only in terms of dollars and cents. Yes, dollars and cents matter. If you have the richest country and you do not have a population that understands where they are going; if you do not have a population that has a national philosophy, you are going nowhere.

I will listen to all of them talk about the finances and the money because they are the ones who say, with the most amount of money in this country under that oil boom, what happened in the country? They ask that question from time to time. It has nothing to do with plenty money. They were right when they talked about a total quality nation. The problem is that they are not building a quality nation because all they are studying is dollars and cents and economics. How much they can get for themselves and how much they can share around. They might only have five years so they will see how much they can get.

Mr. President, in truth and in fact we are spending a lot of money in a lot of directions, but it seems not to be benefiting this country in any way at all. There seem to be a number of other things we can do to build the social fabric of this country. We look at cultural things, for instance the “Best Village” that the PNM introduced to this country. They can help to bring people together so that we can sell this nation of harmony that they are talking about, so the world can see and feel good and happy to come here.

One of the biggest industries in this country is carnival. Today all over the world there are anything like about 60 to 70 carnivals throughout the world following the model of Trinidad Carnival and every one of them is making money. The biggest industry in this country and they cannot harness that. Only confusion, no policy, no philosophy, nothing on carnival. They do not even understand how to deal with the calypsonians and the pan men. Everything they do among them seems only to create confusion.

**4.00 p.m.**

Government is talking about the cultural hall. For a number of years, nothing. It seems as though there is no longer a Ministry of Culture because they are now going to some National Cultural Commission to run carnival and other things. They are saying Sir—

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

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

*Question put and agreed to.*

**Sen. M. Shabazz:** Thank you, Mr. President, and thanks to the whole Senate and everybody on that side for allowing me to stand again. There is no policy, no philosophy, and that is the whole thing.

Mr. President, with your permission, now that the Minister of National Security is here, I would like to again remind him to please pay the soldiers. Their money was due on November 19 and he still has not paid them. He has given them his word and promised to pay. I am asking that they be paid. Now that the Minister is here, I am asking him to have a philosophy for the soldiers of Trinidad and Tobago. People are resigning and going. Please pay them.

I would also like, with your permission, Mr. President, to tell the hon. Minister—

**Sen. Brig. Theodore:** Mr. President, if I may, I would just like the hon. Senator to know I do not have money holding for the soldiers. I am not the person responsible for the finances in this Government. I would prefer if you direct your remarks, not to me, but perhaps, to the appropriate Minister.

**Sen. M. Shabazz:** I would like to ask the Senator, as the highest serving officer, to speak to the Minister of Finance because he is the person to mobilize them.

**Mr. President:** Senator, that point has been sufficiently made. Would you care to move on please?

**Sen. Brig. Theodore:** You said that in our budget speech.

**Sen. M. Shabazz:** With your permission, Mr. President, I want to tell the hon. Senator—because he may not read the *Hansard*—that there is only one fire brigade from Sangre Grande to Manzanilla. I wish the Senator can look into that or talk to the Minister of Finance. I will move from there, Sir. I wished throughout my contribution you did not have to “pull me up”.

Again, no policy, no philosophy and when you try to draw it to their attention they get angry and say it does not make sense. That is what we need to mobilize the people out there to take this country into a further direction.

Mr. President, I was on the point of carnival and the National Carnival Commission. Carnival is again around the corner and there are a number of problems associated with paying these people. I want to ask the Minister of Finance, because he is a pan man, a mass player and indeed, a carnival person, to look at what is happening with the NCC and carnival. Carnival is one of the biggest money spinners, one of the biggest industries. Government may not have a philosophy, they may not understand carnival as well as they should but I think the Minister does. I make this appeal that carnival be looked at in a serious way. Make it a money spinner and let that be the policy in terms of how this country is going to be brought forward economically. There is a lot of money that could be tapped and worked if they come together with the right mind, to make Trinidad and Tobago a better place. No policy, haphazard planning, only public relations! That is what they are about all the time.

So as we have said, Mr. President—

**Sen. Brig. Theodore:** Go back to page one and start over.

**Sen. M. Shabazz:** All these things we have spoken about, what we have seen, and again, I would like to say that Sen. Dr. St. Cyr is quite right. We have had a number of things happening as far as this Motion is concerned.

“*WHEREAS* in the early post war years the economy of Trinidad and Tobago was actively redirected to providing enhanced infrastructure and higher incomes to the population through a policy of localisation and industrialisation and planning;”

Sen. Dr. St. Cyr could say that or could bring that Motion because that is how it was. There was a time when there was planning and there was a philosophy. We know there was a period of industrialization, we know all these things. We are asking the Minister to do the same and bring some type of policy to take this country forward.

“*WHEREAS* with the slowing down of the industrial boom world wide in the sixties there evolved a policy of public participation in industrial enterprises culminating in the resource based industries at Point Lisas;”

We spoke about Point Lisas, the rationale behind it, why Government got into business and why there were so many state enterprises. At that time a number of the businesses government got into, like BP and Caroni, were to save people's jobs. That is why Government became involved in it. What is being done about labour in this country? What is the position now with the oil shock? This is an important point and I did not hear the Minister speak about that.

“*WHEREAS* economic activity thrives best in an atmosphere of clearly understood and stable economic policies;”

That is one of the important ones that I am bringing to you, that you understand that the economic policy will thrive best in an atmosphere where it is clearly understood. We are not in a crisis; we have not reached so far down that crisis road as yet. We are at a point where things could still work out. This is very important.

People must know what is being done about the economy in order to be a part of it. If we do not know the truth we cannot partake of it. It is not true to us when we do not know it. It may be to you, it may be what you know and what you see, but if you do not make it known to the rest of the country it cannot be done.

“BE IT RESOLVED that the Government of Trinidad and Tobago articulate its broad economic philosophy particularly regarding public participation in industry, economic liberalisation and human resource management...”

Another important factor in this Motion.

“...and its strategies for furthering the economic well-being of the nation.”

It is important. I would really like to hear what the Government has to say. I would like them to say it seriously. I would like them to state the policy, not just in a haphazard way or just to please the House and the press—well I do not know if they could please the press now, Mr. President—for a public relations gimmickry. I would like to give that support and hear the Minister’s view.

The things I have said are to bring forward to this Government, and I am not doing so to get into any kind of contention or to get you angry and say that is not important; it is important. I have looked at the human resource side. I have looked at the side of the policy articulated so that people would know. That is the point I want to bring in the manner as I have spoken before, as far as the social context of the country is concerned. If it is felt that is not important, continue to feel that way.

Mr. President, I have no objection to Government feeling that the social context and the human resource is not important because it is not getting away with policies in this country. The problem with Government is that they are getting away with people, organizations and institutions. They are falling out with people and that is why I am asking and presenting my side from this position, from the point of view of the social fabric of this country.

We could all sit here and feel fine and everything could be nice with us and going good. The barometers in our country are not saying that. The feeling in our country is not saying that. If everybody here would be all right and everybody would feel good, that is not what it is saying.

Every time I bring this point up in the Senate it is laughed at. I do not say it as a joke. When we say an hon. Minister who was indeed a roots man and a union man—he may get angry with me for saying it because this is the fourth time I am doing so—had to leave the area where he lived to go to a better or nicer area where he would have less problems, we know that the indicators in this country are not saying what we think they are saying. There are certain pressures we are feeling and this Government is aware of it.



Today I support this motion. I compliment Sen. Dr. St. Cyr for bringing it. We may not have brought it in that manner. Mr. President, through you, we continue to compliment the Senator and wish that Government would take it seriously. I sense this sitting will be adjourned early and this Motion would come back here in the next five or six months when Parliament closes and opens because Government does not want to take it—

**Mr. President:** Stop anticipating.

**Sen. M. Shabazz:** Okay, Sir, but it is a possibility because that seems to be happening.

**Mr. President:** Once I have ruled, please do not continue in that vein.

**Sen. M. Shabazz:** Okay, Mr. President. At this point, having congratulated the Senator, I really look forward and ask that this Government take it seriously and please present its economic policy in a very serious way.

Mr. President, before I end let me just say this as well; it is a point I forgot. There is a serious thing happening in the country. A number of people keep asking for a house and enquiring about a place to live. I would like this Government—because a lot of people want to find out about housing and places to live—that has moved away from renting houses, to say what is its philosophy on housing and if a comprehensive housing policy could be put down in this country for the poor citizens of Trinidad and Tobago. There seems to be none. There only seems to be talk of a housing policy. Before I take my seat, I ask that somebody will come and present this philosophy.

So again to you, Sen. Dr. St. Cyr, thanks for bringing the Motion and God be with the rest of the Senate, and thanks to you, Mr. President.

**Sen. Vincent Cabrera:** Mr. President, thank you for allowing me this opportunity to make a brief contribution on the Motion brought by Sen. Dr. St. Cyr. I sat here and listened to the learned Senator put the Motion and, indeed, it has been on the Order Paper for quite some time. Then I also heard the hon. Minister of Energy and Energy Industries make a contribution. I thought for one moment, Mr. President, that the level of debate on a Motion like this would have remained where it was at that point in time. However, it seems that the other side was hell-bent on either rendering the debate impotent or in dragging it down to the level of picong and bad talk.

I would like to make reference to the Motion and to say that it is quite reasonable that Senators would want to understand clearly what is the Government's thinking and policy as far as economic development is concerned. Mr. President, I am certain that the Minister of Finance and other senior Government Ministers, in making their contribution in this debate, would, in fact, deal with it at length. Suffice it to say, there are a number of documents which have been put out surrounding budget debates—the *Medium Term Policy Framework* and a number of others—which, if people take seriously, would allow them to see what is the thinking of the Government. Whether you disagree or agree with the Government, the thinking is stated. I want to put that as the first plank of my argument, that the thinking has been put down and there has been a lot of debate on economic policy in this country so far. I would like to perhaps agree with the Senator when he said he wants a full statement. That full statement, I am sure, would be forthcoming.

Mr. President, a discussion on economic philosophy is and can, perhaps, be one of the most interesting discussions that anyone can have. Perhaps the structure of Parliament does not allow for a debate without the cut-and-thrust, but I would like to say quite clearly, that taking away the theatrics at the moment, political parties have very little options as far as economic policy is concerned in terms of national development today, especially if you belong to that part of the world which is sometimes incorrectly referred to as the Third World.

**4.15 p.m.**

One would remember when this Government came into power, one of the first statements made by the hon. Prime Minister was that the fundamentals of economic development would not be changed. In fact, some people interpreted that as the new Government saying it would carry on in the exact, same way as the PNM. Therefore, I find it very unfortunate when, all of a sudden, there are some people attempting to say that there is no policy, no programme, and that we are operating by “vaps”.

**Sen. Mohammed:** That is right.

**Sen. V. Cabrera:** In fact, nothing could be further from the truth.

I say also that we cannot deny history. We cannot deny the fact that the Arthur Lewis model of development was adopted; we cannot deny the fact that as economic development in the world came under scrutiny at the level of the United

Nations and at the level of the various developmental organizations in the world, questions were asked about the Arthur Lewis model of development.

Economics is an evolving science, if we want to call it that. In fact, some people say it is not a science; it is evolving. What may be popular today is not popular tomorrow and, in fact, I was very heartened to hear the question of the Leontief paradox, I think it was called, because Leontief is regarded as one of the gurus on economic theory and any student of political economy would have to read Leontief.

Clearly, however, while the Williams regime devoted itself to the development of successive five-year economic planning programmes—and I am sorry the goodly Senator has left his seat—he should remember, if he did his research properly, that it was the very Eric Williams who announced that he had abandoned planning; the same leader who had convinced the nation of the importance of five-year economic programmes, announced by “vaps” one morning that the party had abandoned planning. That must be factored in. They cannot come to this Senate and only claim that, “We steered the ship and we did it well”, because, on analysis, many holes will be found to bore through the arguments.

I listened to Sen. Muhummad Shabazz, my good friend, who talked about the question of all the good things done to develop the economy. It is an irrefutable fact of history—and I speak here as the trade union that represented the workers in those banking institutions and still represents them and also as someone who presently sits on the board of the new institution that arose from the Workers Bank and the National Commercial Bank—that there was the mishandling of a number of credit facilities and a number of politicians failed to repay loans.

Now, there is nothing wrong with a financial institution granting a loan but if the person who has accessed the loan decides not to pay, there is very little that institution can do except for litigation against the person, and one only has to look at the history of the loaning policy of those institutions to see how many PNM politicians lined up for those loans.

**Sen. Mohammed:** How many?

**Hon. Senator:** You have to ask!

**Sen. V. Cabrera:** I had hoped that the debate would have been kept at a certain level, but it seems as though Sen. Shabazz has no respect for macro-economic analysis, none whatsoever. He failed completely to deal with the Motion

*Economic Philosophy*  
[SEN. CABRERA]

*Tuesday, November 24, 1998*

before us and, in fact, in the last two minutes of his contribution, he suddenly remembered the Motion and made reference to two or three preambles of the resolution. I state quite clearly that as far as this Government is concerned, it has steered the ship of state as far as economics is concerned, in the correct direction.

I think the most misleading statement made by the hon Senator was that people were afraid to invest. I cannot allow that statement to go unchallenged because it is the most misleading thing I have heard since coming to this Senate. [*Desk thumping*] When the level of investment is looked at and I do agree that investment alone will not lead to our happiness because we have the phenomenon of jobless growth—and if he were dealing with that I would have supported him—where some economists tend to look only at the balance sheet, while the social fabric is being torn away. Latin America is an example of that.

The point we are making is, the previous regime did nothing different. It allowed that social fabric to disintegrate and it is this Government that now has to take up where they left off; it is this Government that has had to put programmes into effect at the level of the Ministry of Social and Community Development to ensure that all is not lost.

He spoke of the normal erroneous positions taken up by the PNM and one could see that it is their perception that leads them to mislead other people and, as far as the Government is concerned, we have a responsibility to continue along the lines of observing the fundamental macro-economic principles that are necessary so that the country can move forward. This is why the Ministry of Energy and Energy Industries had to announce that there were modules that can be shown to foreign investors so that when a foreign investor comes within the energy sector, he can be shown various modules from which to choose. There was not that kind of development before, and I want to agree with the hon. Minister of Energy and Energy Industries that the Government has to look at the question of which industries are of strategic national importance.

We have to forget our ideological underpinnings in dealing with the modern world of economic development and, as I said in a previous debate, even Cuba, Vietnam and North Korea at this point in time are, in fact, attempting to address foreign investment. The fact of the matter, however, is that we all know that foreign investment can be like a purge at times, if not carefully handled.

Mr. President, the economic development of Trinidad and Tobago is very, very closely intertwined with the development of the various trading blocs and the

realities of both the bilateral and multilateral arrangements that we have with these trading blocs, and we have been accused of abusing travelling but if the various Ministers sit in Trinidad and Tobago and do not find themselves in the various national capitals where the action is, we will slowly but surely find that the economy of Trinidad and Tobago becomes peripheral to the world economy, and that is what this Government will ensure will never happen.

**Sen. Mohammed:** You are sure right. Where is our Prime Minister?

**Sen. V. Cabrera:** On the question of unprofitable enterprises, the Government does not want to get rid of state enterprises; it will prefer to keep these state enterprises, but it has learnt from the experience of the past that it is better to divest certain enterprises than to have them simply as troughs on which certain elements feed.

I am happy that the Minister spoke about wanting to maintain majority shareholding and its policy of divestment to shareholders which has been stated and, if there are parliamentarians who come to this Parliament, receive documentation and do not read and analyze it, it is not the fault of the Government. It is not the fault of the Government that people seem to be caught in a time warp where every single effort made by this Government to develop the country is viewed as an act of corruption; it is not the fault of the Government that nearly every policy statement made is misinterpreted, is shredded to pieces and used as a political football.

I want to conclude by saying, Mr. President, in spite of the constant statements coming from the other side, that the Motion is a well put one.

**Sen. Shabazz:** Where is the policy?

**Sen. V. Cabrera:** It is a Motion that allows Senators to make an input in terms of economic development and economic policy. I end by saying, again, that Third World developing countries have very few options in this epoch of world development. Time was when a discussion on economic development would have taken on the normal terminology of left wing and right wing politics. That has changed. In fact, in certain countries of the world, the political language has changed so much so that what used to be called conservative is now being referred to as radical. [*Sen. Shabazz attempts to stand*] I am not giving way.

I thank Sen. Dr. St. Cyr for bringing a sincere Motion but I say that I am very sorry there are some Senators, Mr. President, who appear not to be so sincere.

**ARRANGEMENT OF BUSINESS**

**Mr. President:** Hon. Senators, having regard to the time, I would like to revert to item 4 on the Order Paper—Bills brought from the House of Representatives.

*Agreed to.*

**POSTAL CORPORATION (NO. 2) BILL**

Bill to establish the Trinidad and Tobago Postal Corporation and related matters, brought from the House of Representatives [*The Minister of Public Utilities*]; read the first time.

*Motion made,* That the next stage be taken at the next sitting of the Senate. [*Hon. W. Mark*]

*Question put and agreed to.*

**ADJOURNMENT**

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, before moving to adjourn this Senate to next Tuesday, December 1, 1998, may I inform hon. Senators that we shall be focussing on Motion No. 3, Land Acquisition and it is not by the Minister of Agriculture, Land and Marine Resources, but by the Minister of Housing and Settlements. We will then go to the Planning and Development of Land Bill and later we will proceed to the Trinidad and Tobago Postal Corporation (No. 2) Bill.

I beg to move that this Senate do now adjourn to Tuesday, December 1, 1998 at 1.30 p.m.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 4.30 p.m.*