

*Leave of Absence**Tuesday, June 01, 1999***SENATE***Tuesday, June 1, 1999*

The Senate met at 1.32 p.m.

PRAYERS[MR. PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Mr. President: Hon. Senators, leave of absence has been granted to the following Senators: Sen. Brian Kuei Tung is excused from today's sitting; Sen. Vimala Tota-Maharaj from May 24—June 4, 1999; Sen. Danny Montano from May 26—June 14; Sen. Selwyn John from May 29—June 18; and Sen. Joan Yuille-Williams from June 1—4, 1999.

**CELLULAR PHONES
(DEACTIVATION OF)**

Mr. President: Please Senators, if you have any cellulars on you, switch them off. I do not want to hear any cellular phones ringing in this Chamber while the session is going on.

SENATORS' APPOINTMENT

Mr. President: I have received the following correspondence 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: DR. GEORGE DHANNY

WHEREAS Senator Vimala Tota-Maharaj is incapable of performing her functions as a Senator by reason of illness,

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the

Senators' Appointment
[MR. PRESIDENT]

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power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, GEORGE DHANNY, to be temporarily a member of the Senate, with effect from June 1, 1999 and continuing during the period of illness of the said Senator Vimala Tota-Maharaj.

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 28th day of May, 1999.

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: DR. ROODAL MOONILAL

WHEREAS Senator Selwyn John is incapable of performing his functions as a Senator by reason of his 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, ROODAL MOONILAL, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Selwyn John.

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 1st day of June, 1999.

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: MISS CARLENE BELMONTES

WHEREAS Senator Joan Yuille-Williams is incapable of performing her functions as a Senator by reason of her absence from Trinidad and Tobago,

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, CARLENE BELMONTES, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Joan Yuille-Williams.

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 1st day of June, 1999."

OATH OF ALLEGIANCE

The following Senators took and subscribed the Oath of Allegiance as required by law:

Dr. George Dhanny, Dr. Roodal Moonilal, Miss Carlene Belmontes.

CONDOLENCES

Mr. President: Hon. Senators, on behalf of the Senate, I wish to offer condolences to Sen. Danny Montano and his family on the very tragic passing of his son recently. The Clerk of the Senate has been instructed to send an appropriate letter of condolence to the bereaved family.

PAPERS LAID

1. Annual Audited Financial Statements of the National Gas Company of Trinidad and Tobago Limited for the year ended December 31, 1994. [*The Minister of Public Administration (Sen. The Hon. Wade Mark)*]
2. Annual Audited Financial Statements of the National Gas Company of Trinidad and Tobago Limited for the year ended December 31, 1995. [*Hon. W. Mark*]
3. Annual Audited Financial Statements of the Youth Training and Employment Partnership Programme Limited for the year ended December 31, 1997. [*Hon. W. Mark*]

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4. Annual Audited Financial Statements of the Youth Training and Employment Partnership Programme Limited for the six month period ended June 30, 1998. [*Hon. W. Mark*]
5. Annual Audited Financial Statements of Trinidad and Tobago Free Zones Company Limited for December 31, 1998. [*Hon. W. Mark*]
6. Annual Report of the Trinidad and Tobago Securities and Exchange Commission for the year ended December 31, 1998. [*Hon. W. Mark*]
7. Report of the Auditor General of the Republic of Trinidad and Tobago on the accounts of the Public Utilities Commission for the year ended December 31, 1998. [*Hon. W. Mark*]
8. Erratum Report of the Auditor General on the public accounts of the Republic of Trinidad and Tobago for the period of account January 01, 1998 to September 30, 1998 and on other selected Audit Activities. [*Hon. W. Mark*]

1.45 p.m.

ORAL ANSWER TO QUESTION

**Unremunerated Work
(National Census)**

7. Sen. Prof. John Spence on behalf of Sen. Diana Mahabir-Wyatt asked the Minister of Planning and Development:

Could the hon. Minister tell this Senate when questions relative to the value of unremunerated work will be added to the National Census?

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. President, the Central Statistical Office is currently engaged in preparatory activities for the next national population and housing census of Trinidad and Tobago, which is scheduled to be conducted during the first half of the year 2000.

One of these activities involves the review of the questionnaire with the assistance of the advisory committees which are supporting the work of the population and housing census programme. Included for the first time in the census household questionnaire is a section comprising eight questions designed to collect data for assisting in the measurement and valuation of unremunerated work in the household. Members of the household would be asked to indicate

whether certain tasks were performed in the households and the length of time performed without pay. The specific questions relate to the following household activities: preparation of meals and related activities; washing and laundry; child care—playing with children, assistance with housework and transportation to school; care for the disabled, sick or aged relatives; gardening and the rearing of animals for home use; sewing for home use; and home repair and maintenance including repair of appliances.

Thank you, Mr. President.

Sen. Prof. Spence: Could the hon. Minister say when the data are published, or when they are available, whether the data would be included in all Government's publishing of financial figures?

Hon. T. Sudama: Mr. President, the assessment of the value of this work will not be included in the figures for the gross domestic product or the gross national income for the simple reason that to include it would be to distort the figures for the purposes of comparison. What would be done is that a memorandum statement would be attached to the financial statements and the economic statistics of the committee.

Sen. Prof. Spence: The Bill which was passed in the House—a Bill or a Motion—stated specifically that the figures would be included as a line item.

Hon. T. Sudama: As I indicated, Mr. President, it depends on what one means by a line item. We could have a line item which is below the line and is of significance for the purposes of information, but to include it, I do not know of any country which has included the value of unremunerated work in its economic statistics; that would certainly not be the done thing, so to speak. So, I am not aware that was a condition of the Bill passed, but this is the information that I have from the Central Statistical Office.

Sen. Prof. Spence: Could the hon. Minister state if the results of the household survey would be published and whether a copy would be made available for Parliament?

Hon. T. Sudama: Household surveys are done periodically. I am not sure of the periodicity of the household survey, but when these surveys are done, they are published as a matter of course by the statistical office.

ARRANGEMENT OF BUSINESS

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, today the Senate should be dealing with "Government Business".

Arrangement of Business
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However, I seek the leave of the Senate to deal with “Private Business” instead of “Government Business”.

Agreed to.

ECONOMIC PHILOSOPHY

[SIXTH DAY]

Order read for resuming adjourned debate on question [November 24, 1998]:

Be It Resolved, That the Government of Trinidad and Tobago articulate 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. [*Sen. Dr. Eric St. Cyr*]

Question again proposed.

The Minister of Tobago Affairs (Dr. The Hon. Morgan Job): Mr. President, I do believe that this Motion is of seminal importance. I think it was decades overdue, but unfortunately, I have been looking through some of the comments from the Opposition and finding that the Motion was not even remotely dealt with. For the record, the Motion by Sen. Dr. Eric St. Cyr focusses the mind on a series of events starting in the post war years in the economy of Trinidad and Tobago and deals with the question of the direction of the motive forces and factors of production and where they were. It says:

“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 localization and industrialization and planning; and”

I did not see any discussion of that point. Somewhere in the information I possess there was talk to the effect that that was okay and that was—should I say—the *Zeitgeist*, *Weltanschauung*, the spirit of the times, the idea of times. Unfortunately, that is not exactly true, Mr. President.

One of the problems that we have in Trinidad and Tobago is the difficulty of using the opportunities we have available to see the broad picture, we do not get the Olympian view, we do not get that view from the mountain top. So we still are not aware that Sen. Dr. St. Cyr is trying to get us to join the debate concerning open market, the benefits of trade, mercantilism, autarchy. That debate has been raised throughout the 19th Century. A lot of the seminal works in economics, people like James Mead and there is a Norwegian or German who also got the Nobel Prize, I think for economics—that is what they were working on. So to

come and say that in the 50s and 60s the prevailing wisdom was autarchy is to not understand economic history, Mr. President.

The problem is that people do not use the opportunities that are made available to them to enliven, to enlighten and, so therefore, to lead people with ideas. They would rather lead them with the kind of feelings that canalize the energies of the population into hatred, dissension, fractiousness and this is not what we are dealing with here.

Mr. President, in fact, when we got to the Lewis model in the 50s and 60s, Arthur Lewis, being a philosopher at heart, understood all that background. He was not saying that the Caribbean people—three or four million of them at the time—should put a wall around the Caribbean and start producing industrial goods for that same million people; he knew better than that. He understood that trade has to be the engine of growth. Therefore, he was saying to restructure the Caribbean economy. So instead of focussing on the fact that agricultural products are what we have, he said we had a comparative advantage in, we will produce industrial goods and have an advantage in trade. It is all written down. The fact that people do not know these things is not the fault of Arthur Lewis, neither is it the fault of Eric St. Cyr; it is the fault of the people who are teaching, and the people who have made themselves politicians. I say made themselves, because most people—

Mr. President: Please, when referring to Dr. St. Cyr, refer to him as Senator, and not by his plain name.

Dr. The Hon. M. Job: My humble apologies, Mr. President, no disrespect was intended. The hon. Sen. Dr. St. Cyr, it is not his fault that people do not understand these things. I am sure that the way he made valiant efforts to get people to understand, the question was that we must trade and we must become efficient, productive, we have to change factor proportions in agriculture, part of the Lewis model—that unlimited supply of labour model—was to withdraw labour from agriculture so that one increases agricultural productivity and will use the labour that one withdrew from agriculture and put it into industrial production and then one is going to trade those products. The surpluses that one generates from there, one will keep investing them in new factories, new plants, new technology. All these ideas were there for everybody.

As I said before, when one looks at Asia, what is happening in Japan, Singapore and Korea, to a large extent, they were the ones who took the Lewis

model to heart, and we are here in 1999—the latter part of the 90s—trying to do what Lewis was trying to get us to do in the 50s and the 60s and we did not understand it. We opted for autarchy, mercantilism, a kind of bombastic hubris—that kind of self-sufficiency—and we ‘mash up’ the place in Jamaica and Guyana, we saved ourselves in Trinidad and Tobago a bit because we had oil.

So, Mr. President, that first part of the Motion was not dealt with properly. It reads:

“*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; 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”

Throughout the 19th Century, coming into the 20th Century and going into the 21st Century, we have always had ups and downs, economic cycles. There is Leontief, but there is also a famous economist who talks about a 50-year cycle—Kondratiev cycles. Other economists have said that the Kondratiev cycles do not really explain much. But what we know is that we have cycles, there will be cycles. We are in the trough of a cycle now where we notice that a year ago the problems in Korea, the Philippines, Thailand, Indonesia, Malaysia and then that setback in Russia into Brazil, the capital markets are not working properly because nobody has perfect foresight. The institutions that are there—that have been created and had evolved consistent with the technology and the interconnection of the global capital markets—did not work properly, they are still not working properly, the laws and the people are not there. These things add to, accentuate and exacerbate some of the crises. We did not hear the discussion of all these things because there is no way that we are going to avoid crises. We suffer from the feedback effect from these. As indeed we have suffered from them ever since the Caribbean was created.

The Caribbean was created as part of European economy. When people are talking about Caribbean history and economy as distinct from the European or the world economy, they do not understand their own history. I think it was John Steward Mill who said that the Caribbean is the place where England finds it profitable to grow sugar, cotton or whatever. The Caribbean is still part of the world economy; we were always part of it. We sell our petroleum, gas-based

products to the wider world and our product terms of trade are affected by what happens to global demand. If global demand goes down, our prices go down; if global demand goes up, they go up. We are in a better position now than we were a generation ago.

2.00 p.m.

Subsequent to the 1980s, and that crash in the oil boom, the government of the day spent much time restructuring the economy and providing the kind of incentives in terms of their ideas and policies together with the IMF. The fact that the world was coming to terms with that kind of crisis; and the way to get out of it was not to go into competitive devaluation and competitive turning off of the economy, but to make the world economy more efficient as a training exercise.

Therefore, this part of the Motion deals with all that. I do not know that, in my perusing of some of the comments, I saw a sufficiency of understanding why the good Senator raised these issues:

“Whereas economic activities thrive best in an atmosphere of clearly understood and stable economic policies;”

Mr. President, that creates a lot of mischief in the minds of some people because they spent all their time on macro economic issues. When they were doing that they were not doing it properly. They were confusing monetary and financial policies and both of them with fiscal policies. They were doing the thing that the Marxists did, which was to disconnect production and income.

Mr. President, given the nature of the resolution of the Motion, I think I need to spend some time to explain what I mean here. One of the difficulties that explains the demise of the Soviet Union and the destructive consequences for poor people—and the millions that had to suffer under those socialist governments—was that they never understood that the neoclassical economists had made a contribution to mankind’s understanding when it developed the market concept; the question of supply and demand function for supply of products; the question of demand function for consumer goods; when we talk about people like Von Mises and Böhm-Bawerk, the Austrian capital school; people like Wicksell from Sweden and Norway and then Alfred Marshall around the same time. All these people spent an enormous amount of time building on the foundations of French economists—the physiocrats and people who went before them.

One of the essential insights that comes out of that was that incomes are generated in production and you cannot separate the two things. What the Marxists did was to believe that you can produce goods and sell them somewhere and that was one process—you can get income, take it and give it to some people and it has nothing to do with production. That is the kernel of a great disadvantage in understanding that has created problems from Guyana to Jamaica to Trinidad and Tobago. All over Africa has been devastated because they never understood that factor income is the thing that explains equality in distribution of income and growth.

Mr. Speaker, if I may say so, the Government is not dealing with inequalities in the distribution of income. How do you deal with inequalities in the distribution of income? All over the world, Germany—I was in Germany a couple months ago—Sweden, England, all these countries have unemployment problems. They have more mathematicians per square mile, more mathematicians and statisticians per square mile than all we have had anywhere in the Caribbean in the last 100 years, but they are not solving the problem. They are not solving the problem, because they are running up against that 19th Century understanding, that you can only equalize income and give income to people without wrecking the economy if it is in production that you distribute the income.

Mr. President, in Europe and Denmark I think there is a programme where, rather than give welfare, they get the young people into training programmes. Part of the contract to be in that training programme is that at the end of the training programme, whether it is 12 or 18 months—I do not know how much it is—they must accept jobs either with that firm or some other firm within the programme. In other words, the state is willing to burden other people with skimming off their revenues and their hard-earned cash to help you but you have to be in some kind of productive mode.

What had happened in the United States of America, in Sweden and other countries, is that coming out of the 19th Century where unemployment created a lot of problems, these countries hit on the idea that they were going to tax some people and create this kind of safety net and welfare thing. When the populations were young and growing and there was a distribution of proportion as between people who were working—therefore, people whom you can tax—and people who were benefiting from these kinds of welfare programmes, you could afford to do it then because you were getting more out of taxation than you could redistribute.

What has happened is that these populations are now aging, so you are getting more people getting benefits from welfare—people are not breeding as much as they used to before—so the base from which you can withdraw taxes or which you can withdraw surplus, in order to feed a welfare programme is getting narrower and narrower. That is the constraint that Sweden, Denmark, Germany, all these countries have come into conflict with.

In the United States of America, there is another problem that exposes the fallacy in this separation of production and income distribution which is the welfare state that was developed after the 1960s—after The New Deal 1930s and 1940s—providing incentives for inefficiency and versions of this are happening in Europe where people take longer to look for jobs, when they look for them, and some of them do not look at all because they have entitlements. So the question of entitlements became embedded in the system because the system provided an incentive to see the welfare package as an entitlement.

We have versions of that in Trinidad, and all that, again, I am saying, is forcing people to focus on the fact that what you have to do is to make your economy efficient and productive; keep retraining your people; make human capital the focus of government policies so that all the things you do, the macro economic policies, are focussed on that micro economic fact that individuals in their productivity, when added up in aggregate, make a nation rich.

Mr. President in developed countries of the world today: the United States of America, Canada, United Kingdom, Germany and Japan, every single one of them, most of the Gross National Product of those countries is a return to human capital. Those Marxists were talking about land, profit, capitalist and so forth, but the national income in Japan, as indeed it is in the United States—more than 80 per cent of it—is a return to investment in human capital. Mr. President, by this I mean the fighter pilots, the nuclear submariners, engineers, doctors, lawyers and accountants all these people who have spent almost a life time training themselves.

Mr. President, three or four generations ago if one got schooling up to age 15 years one had a lot of schooling. Mr. President, it takes 12 years to create a fighter pilot to fly an F-16 and this is 12 years after the gentleman has been through university and all that, so we are talking about 30 years of schooling! How long does it take to create a nuclear physicist? How long does it take to create the kind of actuaries who are advising the big insurance companies in the world today?

How long does it take to create a dentist, doctor or neurosurgeon? When one looks at it, that is where the returns are coming.

When you look at Korea and Japan those people invested in their education systems and that investment created the kind of labour force and workforce and the widespread human capital, so that after the war, when Korea and Japan were expanding into the world and taking over the world car market and the consumer durable market, they had workers there who could get into those factories and do the thing without much hassle. They understood because they all went to primary and secondary school and did the curriculum and as I speak, Mr. President, 58 per cent of the secondary students in Japan move on to tertiary education which is lower than Singapore where it is approximately 60 per cent.

Mr. President, in Trinidad and Tobago today what do we have, 3 per cent of the peer group going into tertiary education. There is where we have the disaster with inequality of distribution of income. It is a micro economic problem and we do not focus on these macro economic issues that we do not understand and then I said, they are confusing fiscal and monetary policies and calling it financial policy.

Mr. President, inside these contributions here, I am seeing a set of grandiloquent talk about exchange rate and how the government must focus on the dollar and they must tell us what the dollar is going to be—inconsistencies

There is a famous Swedish economist—I think his name is Jan Tinbergen and he used an “n” by “n” matrix to say, that if you have targets in one column and instruments on rows or vice versa, that you will get a matrix of target to instrument. Empirical work has been done to verify that Tinbergen was on to something good. So that if you decide what a target and instrument is, you better do the best you can to create the kind of environment to focus on that: one target to one instrument.

2.10 p.m.

In the kind of intellectual confusion that is coming out of this, they do not know what is meant by instruments, they do not know what is meant by targets, they have never heard of Tinbergen, but they are telling you what you must do to create an exchange rate and at what target the exchange rate must be and in all that, you are not understanding what the interest rate is all about. You have never heard about Böhm-Bawerk, never heard about Von Mises, never heard about Marshall—none of these things. Therefore, you are not understanding that interest

rates manifest themselves just like exchange rates as prices in a market. What is going on to a large extent in the sense that we are talking, the Government—whether it is this one, or the last one, or the one before, or the one to come—is kind of impotent and powerless to deal with some of the factors and forces except by moral suasion, except by the way you develop institutions, except by the way you do what you can do to control. For example, in terms of fiscal policy, the way the Government spends its money it can decide to control or contract, or to constrict expenditure or decide to expand it. In so doing, you can create many problems for yourself as indeed they did in Jamaica.

I have a document if you would permit me to read. I am just going to read the summary. It is *Republic of Trinidad and Tobago National Planning Commission Report of the Committee on Monetary Policy*. It is dated November 1987. I do not know who put this together but I presume the people in the Central Bank would have. The members appointed were: Victor Mouttet, Compton Bourne, Terrence Farrell, Joseph Pierre, Leo Pujadas, Leslie Scotland which suggest that Central Bank people were there and people from the banking community.

The summary concerning the Jamaican experience is appropriate to an understanding of the mischief that is being done when people are saying that what we need in terms of a discussion on this Motion, is to tell people for the Government to create jobs, maybe to expand the money supply. I am quoting from section 49 which says:

“Jamaica began to experience balance of payments difficulties from around 1972. The root cause of these difficulties was burgeoning fiscal deficits which reflected the Government’s efforts to ameliorate the unemployment problem by increasing government expenditures to stimulate the economy. The attempts at stimulation were not successful as real GDP declined steadily between 1973 and 1976, while inflation accelerated and the foreign exchange reserves dwindled. The fiscal deficit rose from 5.6 per cent of GDP in 1973/74 to 18.6 per cent in 1976/77.”

Mr. President, that focusses our minds. What are they taking the Central Bank for? There is a Central Bank in Trinidad and Tobago and a Ministry of Finance in Trinidad and Tobago. When we talk about financial policy and monetary policy, are these things in the control of politicians? Do you want it to get into the control of politicians so you end up with this kind of Jamaican/Guyana disaster all over the place? Of course, you do not want to do that, but more importantly, you

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want to educate the public outside so they must not make demands on the Government to do that which in the long run would be very injurious and harmful to them. That is what is meant by philosophy.

We need to understand that in the real world in which this Motion is being articulated, the author of this Motion understands these things. That there is such a thing as positive economics and there is such a thing as normative economics. What I mean by positive economics, I mean it is like a law. If I let this paper go it will fall. That is a law. That is a positive statement in terms of physics, that there is a thing called the law of gravity; you could write it out in mathematics and say how far this thing will fall. All that is the law. In the same sense, there are relationships in economics that are in the nature of laws, positive economics. If you inflate the money supply without consideration to the growth of production and growth of income or foreign exchange, what are you going to do but weaken the currency? You will create demand for foreign goods, you will create demand for an outflow of foreign currency. You will have inflation and pauperisation of the masses. John Maynard Keynes talked about it.

He said the easiest way you can undermine socialism was to inflate the currency. That is somewhere in one of Keynes' papers. There is no better way to undermine the existing order of society than to debauch the currency, that is John Maynard Keynes. People do not know that Keynes—as Milton Friedman had said—was not a Keynesian because he understood that these kinds of wild demands to spend more money and to take monetary policy as an instrument of development is to debauch the currency, is to demand that the politicians debauch the currency. That is not an economic philosophy, we have passed that stage. We understand that we must not do that. There is a chain of causality linking inflation, linking the destruction of the value of the currency with an irresponsible monetary policy.

We have passed that stage, there is no need to be revisiting it. What we need to be understanding is how we are going to do all those other things that we can do to facilitate the kind of monetary policy that the Central Bank in conjunction with the Ministry of Finance should be guided by. Therefore, monetary policy which focusses itself on interest rates, monetary aggregates, m1, m2, m3 whatever they are called, the exchange rate, has to be responsible and prudent, not an instrument of political caprice or demand. Therefore, we have passed that. I have said what monetary policy is.

Another confusion they have in their minds and have not articulated properly is the question of financial policy, which is different and distinct from monetary policy. You have insurance companies, the Unit Trust and banks here and in terms of the way the world is evolving, Mr. President, all these institutions are evolving rules, new products, and new things to market. These things have a way that they influence investments, they influence savings. It is not untrue that financial policy, just like fiscal policy, would have an effect on savings and, therefore, that will have an effect on investments. We need to understand what is the evolving set of ideas and understanding about the status of our financial institutions. Are they appropriate to the needs of savers and investors? Are they taking good care of evaluating risk of new prospects of new people who want to invest? Are these institutions working in such a way that the information that people should have available to them, that would guide their investments into new lines of products and to know when a line of output is becoming obsolete? Are we doing that?

Mr. President, I am asserting that we deal with it in the discussion, which I did not hear in the Opposition's statement. We need to be quite clear in our minds when we are talking about fiscal policy, financial policy and financial institutions, and when we are talking about monetary policy. There was a whole hodgepodge of confusion, no clear thinking, and no understanding that this Motion is dedicated to guiding the mind to understand these things. They talked about poverty and how they are pauperising some people and they talked about corruption.

Mr. President, with your leave, I want to make some comments on that because it is important that the population of this country understand that Trinidad and Tobago is not an island unto itself. There is a famous English poet called Rudyard Kipling who is so misunderstood. One of the most wonderful poems I could ever read is Kipling's *The White Man's Burden*. I read it for the students in Tobago and I said to them: I am not telling you who wrote this poem, I am reading it for you and I want you to tell me from what you understand the poem to be saying to you, that the person who wrote this poem did not like black people. I read *Fuzzy Wuzzy* to them from Kipling and I read *If* for them from Kipling and I asked them the same question. I have not had one student in Tobago tell me yet that Kipling is a racist or he did not like them, but that is what people understand. They do not understand what Kipling meant when he said:

“Oh, East is East, and West is West, and
never the twain shall meet,

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Till Earth and Sky stand presently at
 God's great Judgment Seat;
 But there is neither East nor West, Border,
 nor Breed, nor Birth,
 When two strong men stand face to face,
 though they come from the ends of earth!"

I say that, Mr. President, because there are many people in this country who believe east is east and west is west. We hear them talking it all the time and in the context of the distribution of income and the fact that our society is one that seems to be riven by these ethnic cleavages. There is much mischief being done to our purposes as a nation in terms of our national unity, in terms of what any government can do because if this Government was differently structured, there would be people who would be criticizing it the same way, as indeed they did. Now we have this Government, as I am goaded to say the Hon. Basdeo Panday is my Prime Minister, and he is the Prime Minister of the Government of Trinidad and Tobago whose ancestors—some of them—happen to have come from India. That is all. I do not know that the Constitution or the laws of this country prohibit people like Mr. Panday from being anything—Prime Minister, President of the Senate as indeed you Sir, Minister of National Security or whatever. I do not know.

I went to a school in Tobago—for your information I did not tell them I was doing that. There are at least two schools in Tobago where, when I looked at the first year class in one case, at least 19 per cent of the children in that class looked like the Senator over there. I do not know—[*Laughter*] the Minister of Tobago Affairs may end up being somebody like you. [*Laughter*] I do not rule it out at all, Mr. President.

Let us get back to the point. We are talking about the way in this hallowed hall, and in the wider society, when people are talking about economic philosophy they tend not to understand that the same idea of human capital and information explains to a large extent what they observe and it has nothing to do with ethnic pride, genetics, or pure race. Indeed, Arthur Lewis in one of his books, I cannot remember which one, and I quoted it again in my essay here. I do not know if I will have time to find it, but I did make the quote here where I said that wherever

you are in the world you would observe that there is no homogeneity in the distribution of talents and skills.

There is a story in the *Bible*—I am on Economic Philosophy, so do not think I am drifting. I am dealing now with that part of economic philosophy in Trinidad and Tobago that enlightens the mind to try to understand what a government must do to create an equal distribution of income and opportunities as between the ethnic groups in Trinidad and Tobago. Underlying much of the anxieties are those misunderstandings which are generating fears and hysteria. I think we need to deal with that. At least I do not think I would be fair to everybody if I left without dealing with it.

On page 122 of my book of essays, *Think Again*, where I quoted Arthur Lewis stating something which I had observed because I lived in Africa in the mid 1960s, and from that African experience I had helped myself to develop a whole lot of perceptions that are different from most of my peers and my intellectual peers in the past.

Arthur Lewis, when he is talking about why some groups are different from other groups says:

“the problem is compounded when the society is divided into tribes or races, or religious groups one of which is more successful economically than the rest (e.g. Ibos in Northern Nigeria, Indians in Kenya, Chinese in Malaysia). Left exclusively to market forces, such situations tend to get worse rather than better. The superiority of the advanced group resides in its culture, which gives greater emphasis to the factors that ensure economic success (e.g. Education, saving, attention to detail, responsibility and reliability in fulfilling contracts or meeting obligations). For the same reason members of such a group prefer to hire or do business with each other. The disadvantaged groups do not therefore get the opportunity to learn and resent their exclusion from the superior opportunities for employment and business. The situation can only be righted by deliberate action to break the monopoly (reserving special educational, financial or business opportunities for the disadvantaged) but it is hard to do this, without in the interim restraining growth.”

Mr. President, permit me again to quote the following paragraph, for I am criticizing Lewis. I do not agree with what he is saying there. Lewis was an older man than myself and the world in which he lived, and the information which he

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had led him to say this. Much of the description is quite correct and I agree with it, but the prescription I think is dangerous and perverse. I said:

“Lewis' description is appropriate. However, his prescription is suspect...”

I would change suspect now and say perverse.

“...even with the caveat. He argues, quite rightly, elsewhere that ‘One of the chief obstacles between Less Developed Countries and Development is the fact that they are not well managed. Inept administration is not the problem since, if the government could save the capital, they could contract with foreign firms to manage government enterprises until a domestic cadre was formed. The obstacle is rather inability to save; government current expenditure tends to outrun revenue and public enterprises make losses instead of profits.’”

I do not want to quote the rest so I would summarize what I meant. When you put the government in power, in a multi-ethnic society, to try to impose the Lewis prescription, all hell will break loose. You see it in Rwanda, you see it in Kosovo, all over the Balkans, you see it in the former Soviet empire, Guyana, anywhere you have these multi-ethnic societies that rely on Government fiat to level the playing field will end up with problems.

Mr. President, what we need, and this is what I recommend in the context of Trinidad and Tobago and I am going to quote from an Address to the Nation by Mr. K. R. Narayanan, President of India, on the Occasion of Closing Function of Golden Jubilee of India's Independence last year, or year before. I am saying all these things because I want to deal with the kind of perception that indeed in the contest for political power and economic space in Trinidad and Tobago what we are seeing is not a genetic predisposition of determinism which explains why the outcomes are what they are.

Mr. President, indeed when Arthur Lewis was talking about Ibos in Nigeria, I myself had the good fortune to live in East Africa, I spent five years of my life there.

2.25 p.m.

If you are in Kenya, the dominant tribe in commerce that is competing with the Europeans and the Asians, or the Indians, are the Kikuyu. Anywhere in Kenya you are, you will see Kikuyu businessmen and Kikuyu small traders. Now, if you do not know Kenya, you cannot look at somebody and say he is a Kikuyu, or he is

a Luo, or he is a Kalenjin. They all look the same way. What makes them different is their culture.

The Kikuyus, perhaps because they were in the central highlands where they got all the missionary endeavour, missionary effort and they imitated the white man's ways, especially in terms of property rights and the ownership of land and business, have become very aggressive and successful in business.

Whereas the other tribes, the Luo, for example, are still outside there; if they get a thousand shillings, they go and buy two more wives. A Kikuyu gets two thousand shillings, he goes and borrows another thousand and buys a matatu – a small maxi taxi. That is the difference; ethnicity not race. It is the same thing you see in West Africa with the Iboes, where they call the Iboes the Jews of West Africa.

So that when we come to India and the Indian problem, both in India and in the Caribbean, we have to understand what Lewis is saying, what Morgan Job is saying and so many people who have a perspicacity and understanding of these problems. What you are focussing on is a reflection of cultural determinism and, very often, a reflection of the interference of the Government and of the state that creates the circumstances to ossify and to fossilize certain kinds of attitudes. India is the famous example of that.

Why is it that India is not the Korea of the world today? Why is it that India is not the Singapore of the world? Why is it that India is not the Japan of the world?

In 1945/1946, if you looked at the number of Indian scientists, Indian economists and Indian engineers that they had per capita compared to Korea and Singapore, you would have been in no doubt in your mind that India would have been the country of the future in terms of world trade. Has it turned out that way?

We are getting Korean cars here. We are getting Korean durables; Japanese. What explains that? Clearly, Amartya Sen—I think he got the Nobel prize for economics last year, an Indian. And you read people like Jagdish Bhagwatee. Jagdish Bhagwatee is one of my teachers. I read many of his papers when I was doing my Ph.D. and studied carefully what he was saying. Bhagwatee, like Sen and many others, were always complaining that the problem in India was socialism and state control which has bottled up all the energies of the people.

I have a document somewhere which says in three years of Indira Gandhi's rule or Rajiv Gandhi's rule, when they started liberalizing India, opening it up to

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foreign capital and trying to free up markets, indeed, they got more foreign investments and more capital than in the 50 years before that.

I quote from this because I think it is important that in these hallowed halls and in these august circumstances, the public should be guided by ideas and not merely that canalizing of ethnic hysteria and anxiety which, sometimes, could end up splitting societies apart, as we see in Africa and in South America next door, and all over the world.

Mr. President, I am asserting that if it was that the people of Indian descent who are here, are genetically superior to all the rest of the people here, why is it that India has more illiterate people, more poor people, more suffering people, than any other country in the world? And if you add up illiterate people in India, compared to those in the rest of the world, there is a greater number. Why is that so if they are genetically superior? Why are they so cruel to each other? Why are they so beastly? Why do they burn young women when they do not get their dowry? All these things. These are not myths nor propaganda.

I quote from the President of India, with your permission, Mr. President:

“Though the women of India have a glorious record not only in looking after their families but in participating in public activities and in fighting for the freedom of the nation, they are today marginalized in our society and in politics. How can the nation progress when nearly 50% of the population is oppressed, ill-treated, discriminated against, denied basic human and civil rights? Instances of gender discrimination and atrocities against women...”

He is talking about burning them. Every five minutes every day some woman is burnt in India because the father did not give a dowry. This is what he is referring to here—atrocities against women. Atrocities must, of necessity, include incest and rape and things like that.

“...ought to make our menfolk hang their heads in shame before the civilized world. Gandhi, Nehru, Subhas Chandra Bose, Sarojini Naidu, and indeed all our great leaders had stood up for the rights of our women. In this Golden Jubilee year of our independence let us not deny them their legitimate social, economic and political rights. Let us gracefully concede to them one third reservation in Parliament and the Legislatures before they wrest it from our hands by their votes of wrath in the General Elections.

In our society of multiple deprivations and discriminations...”

Let me repeat that, Mr. President. We are talking about India.

“In our society of multiple deprivations and discriminations, the Scheduled Classes, the Scheduled Tribes and large sections of the Backward Classes are the most deprived, oppressed and marginalized. Indeed, the acid test of any social reform or economic progress in India is whether it has made a positive difference to the lot of the members of these classes. Since Independence, largely due to the impulse of the Gandhian reform movement...”

And I hear people claiming to hide under the cloak of religion, telling children in Trinidad and Tobago they must abolish Gandhi; do not worry; “Gandhi is a big buffoon”! Nothing could be further from the truth. Everybody in this country should be getting children to understand what Mahatma Gandhi stood for and the things that he died for. I go on:

“Since Independence, largely due to the impulse of the Gandhian reform movement and the more militant movement launched by Babasahed Ambedkar...”

Mr. President, Babasahed Ambedkar was the man in charge of writing the Constitution of India. He was a lawyer and an outcast. Ambedkar was one of those people whom Gandhi called the harijans and because Ambedkar, towards the end of his life, became so frustrated by the slow pace of reform of social conditions in India, he turned Buddhist; he took all his friends and de-camped into Buddhism. He abandoned Hinduism because he thought that with Hinduism, there was no future. I continue:

“...every Government has pursued policies for the upliftment of these people. But progressive legislations enacted by the Governments are being negated at the level of implementation by forces in society that could only be described as counter-revolutionary. If we do not curb the reckless play of these reactionary forces who not only obstruct the implementation of reforms, but commit atrocities on the weaker sections with impunity, there is great danger of things going wrong with our democracy.”

He went on to talk about children and slave labour in India. These are his words:

“Another section of our society, tender and beautiful, whom we all love, but neglect, ill-treat, and even barbarously abuse, are our children. The social conscience of our people has to be aroused to ensure a fair deal for the children, and the State has to take a leading role in primary and secondary

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education so that children, especially of the weaker sections, are given education and thus prevented from working in hazardous occupations and becoming bonded child labour. This is not only a humanitarian task, but one that directly affects the health, education and the general social development of our nation.”

I thought I should put that in the record because this country is set up for us to move forward together as one people under Krishna, under Ram, under God, under Allah, whatever you want to call him. We are set up to do that.

But there are imps in this country devoted to promoting their own specific, particular interest and they do not care what happens as a consequence. They do not understand that these forces, once you start, once you think you can manage them, will get out of your control.

I am sure that in 1933, there were people in Germany—businessmen, the crooks and all of them—who thought they could have controlled Hitler and he was the best man to keep the unions and communists in their place so, “Let us put the Nazis in power and then we will control them.” Twelve years after, many of them were dead; millions of them were dead; 50 million people worldwide eventually got killed, many of them were Germans who became prisoners in their own country because at the right time, they did not understand that what Hitler and the Nazis were saying was perverse.

The same thing happened in Rwanda. I am taking notes from the internet and people who are in the War Crimes Tribunals, one guy was pleading for mercy. “Well, I do not know what happened to me. I do not know why I did it. I do not know what happened to me.” He got caught up in the euphoria of the moment.

A mob is not an individual, Mr. President. All of us have experienced that at some time in our lifetime. If you are by yourself, you are likely to make a judgment. “Shall I, or shall I not?” When you are part of a mob, you are part of an organism over which you have no control, and those organizations, like political parties, like churches, like tribes, like religions, once they get their membership worked up into that fervour, purposefully doing what they think is right and what they think is good, there is no end of damage, hurt and pain that can come out of that.

I needed to mention that so that people understand what we need to focus on in Trinidad and Tobago is not that kind of brinkmanship and that kind of

massaging of our ethnic pride and our ethnic hubris, in a kind of fascist kind of way, but to focus on the policy and the philosophy which says that the Government of Trinidad and Tobago must tell the people of Trinidad and Tobago that we are dedicated to evolving a meritocracy.

We are dedicated to ensuring that each child born in Tobago is, indeed, as Psalm 82 says in the Bible:

“Ye are gods; and all of you are children of the most High.”

Every child in Trinidad and Tobago, whether he or she is named Harrysingh, Manohar, Job, Andrews, or whatever is his or her name, once he or she is not brain damaged, that child ought to be treated as a great possibility of genius on anything. The Government and the policy of this country must be dedicated to doing that.

We have this foolishness with people writing articles every day in the newspapers about Indian Government and Indian Prime Minister. I said and I repeat again for the benefit of this honourable and august Senate that we ought to be watching our language. Language is mankind’s greatest creation. It is the repository of all our ideas, all our cultures. It is the instrument that we use to create destruction, to create edifices and great buildings, whatever. Whether we want to build a bomb, or we want to build a submarine or a cutlass, we have words to describe what must be done so the next person can be able to do it.

If you wiped out every building and burnt every book in Trinidad and Tobago, the following day there would be enough people around who would know how to make a hoe; how to make a cutlass; some can make a gun, because ideas are there. Ideas are the most powerful instruments that mankind has ever created which makes him different from the lower animals.

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

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

Question put and agreed to.

Sen. Prof. Spence: Mr. President, I did not want to interrupt the hon. Minister when he was in full flow, but I would like to take the opportunity of this break to ask him to make a comment on two issues of government policy, particularly in light of the discourse he has given us.

One is on tertiary education and that is the lack of provision of more opportunities for tertiary education. As he knows, I have been urging that we set up a second university in Trinidad and Tobago in order that 3 per cent may become at least 15 per cent; and lack of monitoring the University of the West Indies which is not being carried out.

The second thing is on the agricultural policy which seems to be maintaining a policy of subsidies, and incentives are by way of subsidies and protection. For example, the sugar industry, poultry and so forth.

I wonder if he would comment on those issues in his few minutes.

Dr. The Hon. M. Job: Thank you for the questions. Mr. President, I have 15 minutes to wind up and many of the things I said were dedicated to the purpose of focussing the mind on the fact that my reading of the notes of the previous speakers was that they did not deal with Sen. Dr. St. Cyr's Motion.

I just want to return to the Motion which talks about:

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

Some of those models, I had in flowing along, dealt with them.

Since I have been in the Cabinet two years ago, I went in there and met them arguing. There were instruments before Cabinet concerning economic policy with respect to the state enterprise sector and I did use the benefit of my knowledge to help to bring about some conclusion of those discussions.

2.40 p.m.

Mr. President, as I speak to you there has been a Cabinet decision concerning the policy framework for the future of the state enterprise sector. This was never done before. I do not know that since 1956 there was any government or Cabinet that sought to take time off to make sure that people understand why there should be state enterprises or why you should participate in them. What I know is that the way those discussions have taken place—if you read, for example, this document *In Defence of the People's Interest* by the PNM, there have been endless effusion of words and confusion on just about every issue. Just like I said, that you do not see a clear articulation of what is monetary, fiscal or financial policy. You

see the same confusion in terms of the state enterprise. Why do you want a state enterprise? Why do you want the Government to be growing pumpkins and producing milk? What is a public good? What is a private good? What are the markets for these types of goods? How and when should the Government intervene, if at all? What do we mean by failure in the marketplace? What do we mean by monopoly? If monopoly is an indication of market failure, have we dealt with the question of Government failure?

Do not think I am getting into the question of prejudice here, but Venezuela is next door to us, and it is a disaster that is incredible. You want to ask yourself, why is it that a country with such vast, untapped fortunes in land and different ecological climates, in minerals, rivers and water, why have they done such a miserly job of educating the people on creating wealth? Why have they looted their country? A lot of it has to do with this question of state participation in the economy of Venezuela. The Government owns everything and every port. When you own the port, the mine, the transport system and everything, and you needed 5,000 workers here, you have 50,000 on the payroll. In fact, only 2,000 of the 5,000 are showing up, so that means that 48,000 were getting paid for doing nothing. All over Venezuela this was the case. There is confirmation, too, much documentation of that.

If you go to India you see the same thing.

"Señor Arturo Uslar Pietri, (Venezuela's one-man national conscience) on his 90th birthday in Mid-May 1996 decried the state's extent and profligacy. 60 years ago, he said, he called on Venezuela to 'sow' its oil riches in order to secure a prosperous future for its people. Instead he said, the state not the people reaped the harvest—"

Mr. Speaker, he said that "the state not the people reaped the harvest". The state, the functionaries, the politicians, the bureaucrats, benefited. He continued:

"...and that over 20 years 'Venezuela received the equivalent of 18 Marshall Plans in oil income'"

The Marshall Plan was a plan that after the war a certain General Marshall was put in authority over money that was transferred from the American people to make sure that Europe fed itself, industries were fixed, railroads repaired so that Europe could stand on its feet to fight communism.

"...Venezuela received the equivalent of 18 Marshall Plans in oil income—only to end up in the catastrophe we're in today'."

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Just next door. You can climb up on any hilltop in Trinidad and look across to see Venezuela.

The article continues:

"What Went Wrong?"

A bloated public administration, with control of a large payroll, offers ample scope for self-enrichment and patronage. Economic considerations have long been subjugated to politics.

Examples:

In 1970's Social Democratic Government packed the now disbanded National Ports Institute with 20,000 of party faithfuls. Then came the Christian Democratic Government: Did it sack them? No—it squeezed in 20,000 of its own.

Over the past 20 years, the Venezuelan political establishment accumulated control over the country's assets at a great rate: the state now owns: all mines, oil production, petrochemical, aluminium and iron factories, beaches, ports, large portion of agricultural lands, prime real estate, 60% of the banking sector, TV and all main radio stations.

Most of these state controlled enterprises (save oil) are money losing.

Pay-offs, commissions, over-pricing and dubious awards of contracts are commonplace. Worse than corruption, petty or grand, is waste caused by poor budgetary control."

It goes on like that. That is the problem we have to deal with in Trinidad and Tobago.

Nobody has ever stood up in this Parliament, to my knowledge, and went into detail as Sen. Dr. St. Cyr was asking, that we articulate these concerns so that we develop a policy we understand, why we are going the way we are. Why should anybody demand, at this point in time, that we need to spend Government money to create jobs, without articulating and understanding why it did not work in the ghettos of the United States of America, the United Kingdom, or Sweden? Why are they backing away from it? We need to articulate all that. The Motion is there. It tickled the mind, but nobody sought to raise these issues. Mr. President, these are the kinds of things.

When we are talking about agricultural policy, as Sen. Prof. Spence was asking, we need to deal with the question of markets and go back again to those famous 19th Century economists—I do not teach economics again so I cannot get their names right away—Karl M'enger Jevons and those kinds of people. What they were telling us is that markets, in fact, do work, and if you impose a subsidy where the market would send signals and the administration of the subsidy is going to end up, not in production, but in distributing rents, the syphoning away of the state's resources, that is what is going to happen.

I remember when I used to be in the public service, I said once, talking about a subsidy called "ploughing subsidy", that the amount of "ploughing subsidy" that I have approved in the last three years, all the land between Cedros and Venezuela, all over the Gulf of Paria, should be ploughed up and planted with potato and rice, because the subsidy was not used to plant anything. It was a way of siphoning off state resources, a way of corruption. I do not know that the good Senator is not raising those issues again: to what extent the market is going to be allowed to allocate resources, and the incentives that are there in the market would allow farmers and other producers to produce what they need.

Mr. President, if you go to Tobago, there are all these river valleys, Richmond and Goldsborough, nothing is growing there. You have rich river-bottom land with water all the year round, you might see a little cow here and there, but nothing is growing there. In Tobago they are importing dasheen bush and ochro from Trinidad, tannia and everything. Nothing is growing there. There are explanations for that in terms of the wage structure in Tobago and the kinds of incentives that are afforded people to plant and/or to get a ten days. This is a country-wide problem, and I am thankful to the dear Prof. Spence for raising the issue.

That leads me to understand that since I am in Cabinet I have been asking the Government and it has agreed that one of the more urgent necessities in terms of economic development in Tobago, is skill training for the young people in Tobago. The Government has decided to build a skills training centre at Roxborough so that the people in Tobago generally, Tobago East in particular, would be able to be afforded the upgrading of their training in terms of those evident skills that are available for employment in the market-place, so they can get an income.

I am telling the people in Tobago as I told them before I won the election, do not tell me that if I do not get a job for you, that you would plant marijuana. If I

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had my way, you plant marijuana and the law says you should be locked up, you will end up in jail. That is not a trade off that is evident in my mind. The question is, you have to get people focussed into understanding that one of the reasons that we are where we are today, is that too many people were justified in lawlessness and their belief in entitlement, and not sufficiently animated and motivated to understand that they should be part of a productive process wherein incomes were generated. There was this dichotomy, this separation of income from production, so that it was the state's business to take surplus from wherever, and give the people who were favoured. So if you are poor, you are entitled. That does not work, it never worked and would not work now.

This question of entitlement because you are poor cannot work. I want to repeat, and I hope the media is going to report it. I said it before and I have written it in this book. Nobody will ever get me, in this Cabinet or at any time in my life, to decide that because people are poor they are entitled to other people's income. What they are entitled to is an opportunity to be educated, trained and to be helped to create within themselves some kind of human capital that can be traded in the market-place. Poverty is a function of the fact that in the market-place in which we are operating, most of the people who have no job and are poor, have nothing to trade. The skills and human capital that they possess are worthless in the market-place. I do not know that in Trinidad and Tobago anybody who is a dentist, engineer or actuary is unemployed and poor, because the market has demand for their skills.

If I might say in perversity, in a way to demonstrate the point I am making, but not to endorse perverse behaviour, many of these people who are earning great incomes from pushing drugs are earning income because the market is valuing whatever skills they possess in that direction. That is what is happening, the market is working. So we need to appreciate that we do not abolish the market, or talk all this nonsense—sorry, Mr. President—we do not say all these kinds of insubstantial and inconsequential things which are subversive of an understanding of the individual's right to choose.

One of the essential features of democracy and the way the western societies have evolved is that they have broadened the area of individual choice; that is what freedom is all about. To do that you have to give the market freer and freer reign. You do not constrain the individual's choices and say you are helping him, that is the road to serfdom, an incitement to tyranny. Everywhere it was tried it ended up hurting people more than it helped them, and it is not going to be different in Trinidad and Tobago.

The purpose of an economic philosophy, as I understand it and as I am sure Dr. St. Cyr understands it, is that within all that kind of constraint between what human action can achieve, in terms of what we know about economic theory, is positive economics. That is the thing people do not understand, that if Mercedes Benz is at \$250,000 per copy and you reduce it to \$100,000, more of them will be sold, that is what the law of the market says. If you tax a commodity, the prices would go up, and if the price does not go up you probably would get more corruption and all kinds of bureaucracy. That is what the law says.

You have to think in terms of what ought to be done, that normative aspect of economic policy. We ought to be sorry for poor people and the unemployed. We ought to, but we can only do those things within the constraints and context of what is, indeed and in fact, possible. In this debate, reading it, I do not see any clarification of these separate and philosophical issues, all the things that I have spoken about. [*Interruption*]

Mr. President, I have run out of time, but I hope I have done justice to explain to the extent that it is in my power so to do, that, in fact, the Opposition has not made a case that the Government does not have an economic policy. In fact, they have not made a case that they understand what economic policy is all about. [*Interruption*] They have spent all their time talking about corruption and corruption. Corruption is not any economic philosophy! Racial discrimination is not an economic philosophy! These are consequences of certain kinds of economic frameworks.

It seems I have run out of time—[*Interruption*]

Sen. Dr. St. Cyr: Thank you, Mr. President. The Motion asked the Government to articulate its economic policy. [*Desk thumping*]

Dr. The Hon. M. Job: Mr. President, the Government is in a position where—I was looking at the Opposition's contribution in the debate and nowhere did they articulate an understanding of economic philosophy. The Government of which I am a part does articulate, in terms of its actions, many aspects of the policies, ideas or understanding of what I have articulated this afternoon. I am sure that in the course of time, more people would come to the understanding that there is, in fact, an understanding behind the policies that the Government is articulating.

Thank you for the permission to stay. [*Interruption*]

Sen. Roodal Moonilal: Mr. President, it is a pleasure to join this debate for several reasons. I hope that as I continue with my contribution we would return to some sort of peaceful conduct and would maintain that peace until I finish my contribution.

I find the Motion to be most timely and thoughtful, because time and again, it is important that we take stock away from the day-to-day business of projects, Government programmes and so forth, as per division or ministry, and take time-off from debating some of the issues concerned with projects and laws to look generally at philosophy, at the underlying basis upon which all policy programmes and laws should be based.

I was fortunate that on the last occasion we were debating this Motion I was also present in this Chamber. I will split my contribution into two parts: in the first phase, to look at the Motion and to raise some issues surrounding its wording and even to ask a few questions of the goodly Sen. Dr. St. Cyr on his choice of wording in terms of his shaping, conceptually, of the Motion.

2.55 p.m.

In the second half of my contribution, I want to respond to some of the issues raised by Opposition Members, particularly our very good friend Sen. Nafessa Mohammed who, during her contribution, mentioned my name on no less than four occasions, so much so that I got more mention than any one of the Cabinet Ministers.

On the next day on the radio, lo and behold, again I heard on a sound clip, Sen. Mohammed raising my name. I thought it was mandatory that I speak on this Motion. Had we still been at the university or at school, I would say that Sen. Mohammed is picking on me. I thought it was more provocation than malice.

I want to take as my point of departure the wording of the Motion and to raise it in the context of some of the work of Sen. Dr. St. Cyr. I must confess, at the beginning, unlike a few speakers on that occasion, I never had the good fortune of being taught by Sen. Dr. St. Cyr—neither in Tobago nor at the University of the West Indies. I do feel a sense of loss that that opportunity never came my way.

Sen. Dr. St. Cyr, in a book entitled *Caribbean Economic Development—First Generation*, edited by Stanley Lalta and Marie Freckelton, Ian Randle Publication of 1992—in a brief overview of the Theory of Caribbean-type Economies, ended that article with six hypotheses which suggested that, in theorizing about Caribbean economies, these hypotheses should find some place in the framework.

I raised this because I think that the hypotheses raised are also linked in some way to government economic philosophy and to certain realizations of the current administration.

Briefly, Mr. President, Hypothesis One states, I quote:

“Closure...”

in the context of the economy

“...leads to economic stagnation and to the social, political and cultural regression. This derives from the small size of countries, their skewed resource base and the limited opportunity for scale and scope economies.

Hypothesis Two

A boom in export staple production brings prosperity.”

Sen. Dr. St. Cyr warns us about the context of boom which is sometimes referred to as the Dutch Disease, in the context of an expansion in your primary export commodity market. That is accompanied by waste and destruction of the productivity capacity of countries.

“Hypothesis Three

The central conflict in Caribbean-type economy is that between production for export and production for direct home use.”

There, we deal with the issues of developing an export sector *vis-à-vis* what Sen. Dr. St. Cyr referred to as a residentiary sector—a home-made sector for local consumption.

Hypothesis Four deals with, again, the importance of technology and investment goods for economic progress which require inflows of foreign exchange.

Hypothesis Five—Caribbean economies must change and become much more than passive, but now active participants in the world economy.

“Hypothesis Six

Small Caribbean economies must point their residentiary sectors towards production of more services (the arts, festivals, and sport)...”

than otherwise done before.

I raised these issues because, as I see it, as the economic development of the Caribbean progressed, at one time there is a dependence on particular schools of thoughts; a dependence on certain orthodox thinking. As the speaker before me

would have said in much more colourful language—the work of Arthur Lewis, the work of Seers, the work of the plantation writers on plantation economy and so forth—they would have influenced in some way public policy. Likewise, in the 1960s and 1970s there was thought, at the level of academia, influencing public policy.

In the 1980s, described as the lost decade of development by many, there would have been a return to the broad neo-liberal paradigm which itself had certain theoretical underpinnings in Ricardian economic philosophy. Again, I do not want to get too much into that because I would be duplicating some of the statements made by the last speaker. The neo-liberal philosophy was also routed into certain mainstream economic thought.

In the 1990s what do we have? I think it is fortunate that Prof. Amartya Sen—who was alluded to by the last speaker—having received the Nobel prize for economics in 1998 and for his lifetime work in welfare economics in issues of social justice, distribution, poverty alleviation *et cetera*, has once more brought to the fore the importance of the welfare issues of social justice and entitlement as well. The point I am making is, this is not an era without its own theoretical foundations. Sometimes when we talk and write, we refer to the 1950s and the 1960s. Sometimes one gets the impression that there is an end of theory that supports a lot of the economic philosophy of the day.

Having said that, the current thrust of the Government leaves one to suggest that there are elements of the model of the 1980s—the neo-liberal model—which are still very much alive today. However, not in its raw and naked—and one would say: “brutal state”—as we saw in the 1980s. In particular, the second half of the 1980s when the fallouts from adjustment packages impacted severely within the community at the level of society and within the labour market.

Today there is some thinking on the part of international lending institutions, international financial agencies, at the universities and so forth, which suggest that economies are being asked—which they should have been doing a decade or two ago—to put back on the agenda the issue of social justice, the issue of entitlement and the issue of distribution, having seen the fallouts of adjustment in its most brutal form throughout Africa, in some countries in Asia and indeed in the Caribbean. Jamaica is also an example of that model, in the late 1970s, not working and not producing the desired results. Because, while they were concerned with external imbalances—terms of trade and balance of payments and so forth—the internal imbalance of unemployment and poverty received very little

attention. Those internal imbalances received little attention. That led to the escalation in poverty. The figures were horrific by the end of the 1980s.

It also led to imbalances within labour markets where there was—as we do in Trinidad—both a labour surplus and a labour shortage existing side by side. These are directly connected to adjustment programmes which were passed on, not only to Trinidad or within the Caribbean but also in Africa, Asia and so forth.

Now, what one finds is that there is some attempt to rekindle policy interest in poverty alleviation and employment growth and so forth. I think that effort is consistent with the six hypotheses that Sen. Dr. St. Cyr raised in that overview of Caribbean-type economies. They are now coming to the fore. I argued that they were forgotten, I think, in the lost decade of development.

Returning to the Motion—I will not read it out, people are clear on it. I find that it is an interesting Motion. It states:

“*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; and

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

et cetera. We come to—

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

3.05 p.m.

I found it strange, actually, that the word, “development”, was not used, because in an earlier time we would talk about development and the development economists themselves would argue that instead of human resource management we should have used the more generic term, “development”. I wanted to ask the mover of the Motion whether, in the discussion on public participation in industrial enterprises, we are clear on the historical evolution of the state involvement in this economy. In that very book I quoted at the beginning, *Caribbean Economic Development*, another writer giving the empirical evidence noted in a table that the Trinidad and Tobago Government became involved in oil, steel, natural gas, fertilizers, chemicals, airlines, shipping, telecommunications,

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banking and finance, food, manufacturing, and hotels within its own large purview of state sector involvement.

There are several reasons which one looks at for the involvement and the role of the state in economic development, among them are the underdevelopment of a local private sector which was a critical concern at the beginning of the 1960s when the then government embarked on their first development plan. Mr. President, like the last speaker I would like to quote from my book entitled *Changing Labour Relations and the Future of Trade Unions*—it is available in the Parliament Library for those who are so interested—where it documents the First Five-Year Development Plan where the government of the day identified, and I quote, their objective as to create:

“...a legal, institutional and incentive framework which encourages investment by the local and foreign private sectors, inducing them to create new employment opportunities.’ In the Second Five-Year Development plan (1964-68) a prominent role was assigned to the private sector to achieve indicative targets of savings, investment, production and exports.”

It was also a policy driven by the fact that the government of that time saw a weak private sector and the need to involve the government in more activities to generate the economic growth and, critically, to create employment. There was also something at the time, I think it was referred to as operation jobs, which sought to attract Anglo-American finance capital in the hope of stimulating some sort of dramatic escalation in employment.

The point I make, too, because I need to be connecting back to what I am saying, is that with the weak private sector a bigger role was assigned to the state. However, as we evolved and as the business sector itself developed, in the context of the 1980s and the neo-liberal paradigm you had the complete switch, where it was understood as being a private sector led development with the state playing that role as the facilitator. Today, the state continues to play some type of role as a director within the commercial economy to direct, to ensure that investments are targeted towards the strategic sectors in terms of their ability to generate foreign exchange earnings and, critically, employment.

So that, today, with a much more developed private sector and several other factors having changed from the 1960s, there was that move towards a private sector led economic philosophy which is also consistent with the current

administration's economic philosophy. So when we talk philosophy we need to be clear on what type of philosophy one administration pursues and why, as opposed to another philosophy at an earlier time.

I also want to raise certain issues concerning the realization of policy. If we agree that the administration is pursuing a policy of investment-led growth which is consistent with a broader economic philosophy of liberalization and deregulation then, in pursuing the investment-led growth, there would be conditions within the local economy which invite foreign investors in strategic sectors, primarily energy, manufacturing, agriculture and so forth. Those initiatives are also geared towards employment creation, which is critical.

When one talks about giving effect to philosophy and to policy, then one comes to the lowest denominator, what are your policies, what are your programmes which give effect to policy and philosophy? Different Senators of this House and our hon. Ministers have also expressed their own concerns on this Motion and sought to give an account of what their particular division of Government is doing *vis-a-vis* fulfilling economic policy, fulfilling their own divisional projects, their plans and how they are consistent with the wider philosophy.

I recall on the occasion when I was last here, Mr. President, the hon. Minister of Education coming to this august Chamber and speaking at length about some of the programmes at the Ministry of Education, giving us some detail as to the enormous amount of work taking place within his division. Lo and behold, speakers after would argue that the Minister only told us what he was doing, not about philosophy and policy. However, it is a debate that is hard to win because if one spends all one's time speaking about philosophy then someone else will come and say, "Well, you did not tell us what you were doing, how you were giving effect to policy". Conversely, if one spends all one's time talking about philosophy and policy, from Lewis coming down to Amaryta Sen, then the next question is, "You talk so much about philosophy and policy but you are not saying how you are giving effect". So there needs to be some sort of balance to connect policy and projects with philosophy at the macro level.

One way in which this administration has been doing that is through a concerted effort to upgrade the human resource capacity within the labour market and, as the Motion rightly asks, "articulate your economic philosophy". The bottom line, Mr. President, is to articulate your economic philosophy and strategies for the purpose of furthering the economic well-being of the nation.

Economic Philosophy
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How do you further economic well-being? Clearly it is not only by investment and encouraging foreign finance capital and so forth. It is not so at all.

One of the ways of furthering economic development is by developing your labour market, creating a competitive, educated and high-skilled labour force to match your investment. Then, what we have happening, as we have already noticed in Trinidad and Tobago, is a mismatch of skills between what is required and what is existing. This administration has been making enormous progress at the level of upgrading human resources, and it is critical.

Mr. President, in a few weeks from today, during this period of graduations, I will also make a small address to a graduating class in San Fernando, and my message to that class will be, "There is no future without skills." That is the message, clearly. I am also a new entrant within the labour market and there is no future without skills, and we must differentiate skills from formal education. However, the world of work of the future, which I have had the opportunity to glimpse, has no place for citizens, for workers, who are not skilled. That must be very clear to students and all participants at different ages.

We are now talking about continuous professional upgrading. Professionals themselves, whether they be teachers, doctors, lawyers, *et cetera*, are now rushing back to the doors of the schools, be it universities, vocational training institutes, foreign universities—how you call those programmes—air mail programmes and so forth. Many professionals are returning to the books, returning to the education system to upgrade their skills, and this is critical.

In the future we talk a lot about the peopleless factories, the paperless office and it has to do with technology and technological change. This is not a new concern, this is an old concern. In fact, to return to the thinking of Lewis, and I have the quotation here, it was Lewis in his 1977 publication entitled, *The Evolution of the International Economic Order*, published by Princeton University who said, and I quote:

"...international trade became the engine of growth in the 19th Century...but the engine of growth should be technological change, international trade serving as lubricating oil and not as fuel...trade cannot substitute for technological change, so those who depend on it as their major hope are doomed to frustration."

So clearly, if the future generation of workers, the current labour force and even our professionals who are at their mid-career level, and so forth, do not come to

terms with technological change, be it in the energy sector where it is most needed, in other sectors as well, there is no hope. There is no hope for developing economic well-being because the future economic growth of the country must be tied to human resource development.

We have learned from all that has been said before that if you try to go into distribution welfare entitlement without education and skill, that is unsustainable. It is unsustainable to distribute without people working. If you distribute and people do not work, it is exploitative as well because you are draining the treasury, you are draining the public purse. So the point I am making is that the accent must be on human resource development.

How does the government of the day approach this issue in a practical programmatic way?

Sen. Shabazz: Tell us.

Sen. R. Moonilal: Thank you. The work, in this regard, of the Ministry of Energy and Energy Industries is critical. The work of the Ministry of Labour and Co-operatives is critical. We live in a society where the workers of this country are still faced with exploitation, victimization, *et cetera*, at the workplace, be it at the shop, the gas station, in the private security industry and so forth, and it is a situation which this current administration came into. The administration did not create the exploitation of private security guards, shop workers and so forth.

As a result of my own research, Mr. President, in the area of worker protection and unprotected and unorganized workers, I know on a daily basis of the struggles, the victimization and the exploitation of low wage workers. One cannot have economic development and prosperity if that state of affairs continues. In this regard I want to put on record the work of the Ministry of Labour and Co-operatives in bringing certain pieces of legislation to the Parliament and in passing laws which are aimed at protecting those workers and, in a way, increasing their own capacity to earn and to contribute to development.

3.20 p.m.

If people are unemployed, and you have the unemployment figure as it was in the late 80s, at around 19 per cent; 19 per cent of the country's labour force does not contribute to economic development. And worse than that, the people who are employed are then contributing to a pie—to a public purse—to help the unemployed.

So, it was in this context that the Ministry of Labour and Co-operatives has undertaken a comprehensive programme to repeal and replace existing pieces of legislation, and to add new laws to the books to protect workers. We all know, for example, of the Maternity Protection Act 1998, which came into force, and which one would need now to police effectively at the workplace to ensure that those persons who are unprotected, and who were victimized—those women in the private security industry, which I know of, for a fact, who are fired as soon as they become pregnant—those workers are protected by your legislation. *[Interruption]*

Sen. Mohammed: How do you know of this?

Sen. R. Moonilal: By my expansive research in that area. And I direct you, again, to the Parliament Library. *[Interruption]*

Sen. Prof. Spence: I wanted to catch the hon. Senator before he went off in another direction. I want to ask him the same question I asked Dr. Job. How does what he says—the emphasis is put on direct education—deal with Government policy which is:

1. Increasing fees of the university students
2. Not expanding university facilities in Trinidad and Tobago?

Sen. R. Moonilal: Thank you. I have taken a note of the question and I would like to address it a bit later on in the contribution. Indeed, Sen. Mohammed also raised that issue of university students when she spoke a couple weeks ago.

I was saying that in an effort to contribute towards protecting workers, towards workers remaining employed, earning, and contributing in a sense as well, to the economic growth of the country—because people work, pay tax and contribute to productive capacities, and the Government has been embarking upon this programme of legislative reform, which we have seen produce the Maternity Protection Act, Minimum Wage Orders, and also Orders which cover overtime work and so forth. These are very progressive pieces of legislation geared towards the unprotected worker.

I want to announce, as well, that there is also an Occupational Safety and Health Bill out for public comment, which repeals the outdated Factories Ordinance of 1948. We also have an Industrial Injury and Disability Benefits Bill, which seeks to review the existing Workmen Compensation Act. There is also effort to introduce a Termination of Employment Benefit Bill, which seeks to

provide greater security of employment and of terminal benefits, *et cetera*. I could spend another 10 or 15 minutes—which I do not want to—going into some detail as to how commendable the pieces of legislation which this administration would bring to the table are, in terms of protecting workers.

It is also interesting, because something else is happening with these pieces of legislation. Unlike in the past—and it is also connected, Sen. Dr. St. Cyr, to economic philosophy and industrial relations practices—there is also a linkage between economic philosophy and industrial relations. The very advent of the Industrial Stabilization Act in 1965, was an Act that had as its basis economic philosophy. It was an Act introduced in the context of furthering economic growth. It was felt, at the time, that economic growth would be a prisoner of industrial instability. So that, if there would not be industrial stability and order, there would be no national development. And so the Industrial Stabilization Act came into being, and that was amended in 1972, to the Industrial Relations Act. So, there is a linkage between economic philosophy and policy, and industrial relations practices of the day. This is the linkage I am taking now, not from the 1960s—I am making reference to that—but the 1990s, that linkage between economic philosophy and what we do at the level of industrial relations practices.

I said that because I was making the point that whereas the predominant thinking before was to give workers rights, but collective rights, where workers would be represented by trade unions, labour organizations and so forth, which would protect and promote their collective rights at the Industrial Court, the Ministry of Labour and Co-operatives, and so forth, because the thinking then was this would also help to strengthen the trade union labour movement and so forth. What has happened is that many workers then became outside of the protective embrace of the trade union movement and of labour organizations, and so they were then denied opportunities at the Industrial Court and the Ministry of Labour and Co-operatives for decades.

In a bid to deal with this type of situation, a number of pieces of legislation that this Government is introducing really attempts to return individual rights, where workers are protected as individuals, not only within their collectivity—and this I think deserves to be highlighted and commended, because the system of collective labour rights has not delivered the goods in terms of the number of persons who is unorganized.

There was a World Bank survey a couple years ago—I think it was in 1992—which put workers in the so-called amorphous informal sector in this country, at almost 25 per cent. Now, that is small in comparison to some of the economies in Africa, Asia and so forth, but 25 per cent is a lot of people in this small-scale context. To address workers in that informal sector—own-account workers in some cases—more legislation that deals with workers as individuals is required. This is the type of legislation, I think, the Government of the day has embarked on. It is an important change to the evolution of industrial relations in this country.

Mr. President, I want to put on record the work of the Ministry of Labour and Co-operatives in the whole thrust towards developing our human resources, protecting employment, and ensuring that workers contribute to the wider good. There is also the work of the Ministry of Energy and Energy Industries, and what we have found over the years is this mismatch—as I referred to it—where we have people in the labour market but they are not skilled for the type of jobs that are available, and there is a big group of people who may be skilled in some way but the skills they have are not required by the market and in industries.

This is an important issue. It is critical, because if we are going to create the economy and then call ourselves a developed country—and run unemployment down to 5 per cent or thereabouts—we need to look at imparting skills to workers. In this effort we need to put on record and commend the Ministry of Energy and Energy Industries, and this Government for its initiative in developing the National Energy Skills Centre which came into being.

In 1997, the Government introduced the National Energy Skills Centre as a joint industry and Government partnership which sought to impart the type of skills which workers, when surveyed, did not have for some key areas in industries, such as, plant construction, craftsmen, technologists, and so forth; all recognized in areas where the type of skills required was not there. I am informed that in 1998 approximately 1,000 workers were trained under the National Energy Skills Centre, and in 1999 that figure is expected to grow to 2,000.

This is important, because this is what we should be telling students, that without the proper mix of skills there is no hope within the labour market. When I pick up the newspaper in this country I am taken aback. There are jobs being advertised in the newspapers, but all that is required is just the skill for everything.

If you look at secretarial work, that has changed enormously. It requires much more technology to handle the internet, e-mail, and now we are not talking about

fax; we are talking about electronic faxes. So, even the system of faxing letters, and so forth has gone out, and if we are not abreast of this type of change—the technology change—and we do not create the labour force for that change, then we are in big trouble in terms of our economic well-being.

3.30 p.m.

I want to put on record again the work of the National Energy Skills Centre.

Mr. President, on the last occasion when this Motion was debated, the issue was raised about Caroni (1975) Limited within the context of an agricultural policy, and Sen. Mohammed made it known to all and sundry on that occasion that I was also connected to the All Trinidad Sugar and General Workers Trade Union. Indeed, I have the honour of being the advisor of that trade union. I want to make a few statements on that because Sen. Mohammed made a few statements about the agricultural policy under the PNM.

I have the contribution of the hon. Senator here and it was littered with statements about the Government of the day, this administration, having no policy, no vision, no plan, no thinking and Sen. Mohammed went back into the familiar mantra and propaganda of glorifying the 1991—1995 administration. So they created and did everything, or they were going to do everything. In her speech there were lines like, I quote—

Mr. President: No Senator. You are not permitted to quote from a contribution by a Member unless it is a Minister on policy.

Sen. R. Moonilal: Thank you, Mr. President. I will summarize and say that the Senator sought to give the impression that the administration of 1991—1995 either did everything or would have done everything as it relates to agriculture and Caroni (1975) Limited, and there were enormous references to diversification plans, land development plans, marketing export plans, and so forth. The Senator on that day also mentioned that my own participation in the politics of this country, although I was living abroad for some years, dated back to the late 1980s when I worked with a very dear colleague who was also at that time in the Opposition and who, at that time, was the Opposition shadow minister of agriculture. I remember his speech delivered in another place on agriculture and I think that I am not at liberty to quote from another speech of a Member in the other place?

Mr. President: You would be safer not to.

Sen. R. Moonilal: Okay, but it is important because I thought that hearing Sen. Mohammed it was almost a repetition of what that honourable Member had to say in December, 1993.

Mr. President: That you can quote.

Sen. R. Moonilal: Thank you, Mr. President. I think it is important. On the last occasion when this Motion was being debated, Sen. Mohammed, as I said, castigated the current administration for not doing enough and for policies missing, no vision, and so forth, and a very dear colleague of mine at that time was speaking in another place in December 1993 and had this to say about the then Government:

“Imagine, even at the level of a budget speech, 45 pages presented by the Minister of Finance, we barely had 10 lines of reference to agriculture. That, in my respectful view, is certainly indicative of the fact that the Government cares very little, or at all about the advancement of agriculture in this country. I am very disappointed.

In my respectful submission, I am saying that agriculture can be readily construed to mean the throes of death in Trinidad and Tobago. There is nothing positive or tangible in order to indicate that.”

At that time, the Member for Caroni East, a very dear colleague of mine, said:

“I am submitting to this honourable House that to date we have not had an agricultural policy. No policy has been put forward. What has been done? We have had statements. It is a confusing situation.”

So, when I heard Sen. Mohammed speaking on that occasion, it was like *deja vu*. It brought back some lines from another debate that I was party to, and I said to myself that it appears that the goodly Sen. Mohammed was indeed quoting from another speech of her dear father, but it was being misdirected.

Sen. Mohammed: You all have killed agriculture in this country!

Mr. President: Please allow the Senator to make his contribution.

Sen. R. Moonilal: Mr. President, I have to beg for your protection. This is the state of affairs to which I am referring where we hear on one hand that this administration is doing little or nothing, and then we have quotations from important budget presentations made years ago that suggest, unlike what the

Senator was saying on the last occasion, that the administration of 1991—1995 did little or nothing in pursuance of economic policy.

Sen. Mohammed: I would just like to know from the hon. Senator if he is satisfied that under the present administration there has been any significant change in terms of agriculture and an agricultural policy in Trinidad and Tobago under the UNC Government?

Sen. R. Moonilal: I would like to respond immediately by saying that this administration has been making enormous leaps and bounds in the development of the agricultural sector, and if our hon. Senators were here on another occasion when the hon. Minister of Agriculture, Land and Marine Resources spoke, he gave enormous data, statistics and evidence to suggest that there was development. I think the Senator should really redirect that question to the hon. Minister of Agriculture, Land and Marine Resources who would have the necessary details.

Sen. Prof. Spence: Mr. President, I would advise the hon. Senator, if he is not in the Senate on the next occasion that we debate this Motion when I hope to make a contribution, and I will give him the facts about the present state of agriculture in Trinidad and Tobago. [*Desk thumping*]

Sen. R. Moonilal: Mr. President, my being here or not being here is not in my hands, so I will be happy to read the contribution of Sen. Prof. Spence on the agricultural sector. To come back on track, I thought I would introduce this to suggest that the goodly Sen. Mohammed may have been trying to pull some wool over our eyes in terms of the contribution of that administration of 1991—1995. The quotations I used from speeches in 1993 suggest that this may well have been the case.

In terms of Caroni, I want to make a few statements for the record. It was this very administration which asked the All Trinidad Sugar and General Workers Trade Union to present its own ideas, creative solutions for the future of Caroni (1975) Limited. It is the first time in the history of the industry that the union has presented a document of its own, not part and parcel of something else, whether tripartite plan, diversification plan, and so forth.

The union presented its own paper of ideas of creative solutions to the administration on the request of the hon. Prime Minister and members of his Cabinet. I recall very well a meeting between the Prime Minister and members of

his Cabinet connected to Caroni (1975) Limited and the executive of the sugar union at which the Prime Minister called upon the union to present its case and we did so. We presented a paper of solutions and ideas that we think are workable. So, to do as Sen. Mohammed did on the last occasion and say that the trade union was not involved and never participated, I think it is misleading, untrue and dishonest.

Sen. Mohammed: Mr. President, just on a point of clarification, the hon. Senator is saying that certain statements that I made may have been misleading, untrue and so forth. For the record, I would just like it to be noted that these statements were based on a television programme where members of the union were speaking at the Rienzi Complex on the *Issues Live* about three or four weeks ago where they admitted that they were left out of the process when the transformation imperative plan was being formulated. So, it is not any misleading information. It is there on the records for all to see.

Sen. R. Moonilal: Then I need to make a point of clarification. I think that Sen. Mohammed is referring to an *Issues Live* programme recorded a month ago. What the union was saying is that when the company devised its plan, the union and the workers were left out. What I am saying, which is true, is that the Government of the day invited the workers to present their case. So, on that night we were condemning the company because the company had a certain job to devise a plan and the trade union was invited by the Government, not by the company.

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. Brig. J. Theodore*]

Question put and agreed to.

Sen. Mohammed: Mr. President, I need some further clarification. With respect to the transformation imperative plan which was spoken about, which the Senator is suggesting was a company's plan, that plan was taken to Cabinet by the hon. Minister of Tobago Affairs—and it is known as the “Job plan”. Is it not a fact that the plan has been accepted by Cabinet? If so, please tell us which plan the Government is going to be following?

Mr. President: I just want to advise the Senator, being quite young and inexperienced that you are not bound to answer any of the issues raised by anybody in the Senate. You may proceed with your contribution.

Sen. R. Moonilal: Thank you, Mr. President, but I feel bound to answer as I hear the questions. I would like to tell the hon. Senator that instead of interrupting my contribution every minute, she had a golden opportunity when the Minister was speaking before me and she asked nothing about the “Job plan” or any plan, but when I am speaking she asks about these plans. This is my final point on this issue. The Government of the day invited the workers to participate and we did so. As well, Caroni (1975) Limited, as we understand, is in a transformative phase with which elements of the union's proposals are being considered. That is where I would like to end. Any further questions should be directed to the Minister of Agriculture, Land and Marine Affairs and the Minister of Tobago Affairs.

I want to make the final point, before wrapping up, that I was also involved in earlier student struggles when there was the introduction of fees for university students. It is my understanding that there is also a debate taking place with the students' union at the St. Augustine campus—it also reached Mona, Jamaica, a few weeks ago—about the introduction of a new fee structure, and the Government is also participating in dialogue. I do not have more details on that.

As far as I am concerned, I wish all post ‘A’ level students having the requirements to enter university would have the opportunities I had to have a university education pre cess 1988. However, I add that given the constraints of the time and given the very economic development about which we are talking—and we need students, through structures, not necessarily from their pocket, participating more in terms of contributing to their own economic needs. I think that must also be supported.

It is one thing to cry and talk about the fees going up outside the scale, but I think the Government is also committed to upgrading the structures around which students can source loans, subventions, scholarships, bursars, and so forth. I think that is an area that needs to be developed further if it is not being done. Certainly, the people who are doing it would have taken stock of the economic necessity to introduce increased fees as the case may be. I do not have further knowledge on that, so I prefer to leave it as is.

In winding up, I thank Sen. Dr. Eric St. Cyr for putting the Motion on the table and allowing us to take this unique opportunity to move away from the day-to-day important legal issues of projects, planning and so forth, and to reflect a bit on philosophy and policy of the Government.

I thank you.

3.45 p.m.

The Parliamentary Secretary in the Ministry of Housing and Settlements (Sen. Carol Cuffy Dowlat): Mr. President, it is, in fact, my honour to speak this afternoon on this Motion and to congratulate Sen. Dr. St. Cyr for bringing this Motion before this honourable Senate. I think this Motion is as timely as when it was first introduced and debated as it is today.

Mr. President, while my colleagues on both sides have spoken and given broad philosophical bases for many of the arguments and have quoted from many of the philosophers; I will attempt to articulate the policies of the Ministry of Housing and Settlements and our role regarding public participation in industry, economic liberalization and human resource management and to ascertain exactly how these policies impact on the Ministry of Housing and Settlements.

In attempting to do this, I want to use the *Concise Oxford Dictionary* for guidance in terms of definitions. We have seen “industry” there defined as being “a branch of trade or manufacture; consorted or copious activity”. For example, activity that is, in fact, taking place in the Ministry of Housing and Settlements. “Economic liberalization” is “that economic situation which allows for free market of goods and services devoid of trade barrier either within the country or across its borders. It is a policy in which open market forces determine the supply and demand for a product and hence fixes the prices where supply exceeds demand. This product can mean manufactured goods labour and services”. It is to my understanding the operation of the economic system of capitalism. “Human resource management” involves “the efficient and effective utilization and management of manpower of human resources to achieve efficiency and effectiveness in the delivery process”.

Mr. President, the philosophy of the Government for the development of Trinidad and Tobago is basically one that is people-centred. Accordingly, policies and strategies are being developed and implemented in which economic growth is accompanied by social development and a partnership fostered among Government, business and labour to achieve a better quality of life for all and economic well-being for the nation as a whole. The policy underlying this economic philosophy for furthering the development and economic well-being of the nation is enunciated in the *Medium Term Policy Framework* of the Government. It includes, *inter alia*, the promotion of a robust economic growth

while containing inflation; the reduction of the level of unemployment; the strengthening of the social and economic infrastructure; the acceleration of the diversification process in the agricultural and tourism sectors; provision for the educational, health and social needs of the population; and the protection and preservation of the environment.

This philosophy is also enunciated in the United National Congress manifesto and it translates itself into a strategic planning and implementation stage in the Ministry of Housing and Settlements as a commitment of Government to, *inter alia*, establishing viable settlement; distributing, developing and making land available at affordable prices to persons to build their homes; enacting appropriate legislation to give squatters on state lands and those of state enterprises security of tenure; and the provision of loans at special rates of interest.

The strategies which are being pursued regarding public participation in industry, economic liberalization and human resource management in the Ministry's development thrust can be categorized broadly into three major headings: National physical development; financing of shelter; and the development of partnership among government, business and labour. How is this strategy implemented? For example, with national physical development, what the Ministry of Housing and Settlements has done is divided the country into 13 growth centres and preliminary designs are being developed for a complete road network throughout the country linking these areas. To date, scoping exercises have been completed for six areas: namely Port of Spain; Couva; San Fernando; Sangre Grande; Point Fortin and Mayaro. The output of these scoping exercises has been the preparation of terms of reference and delineation of a study area for the second stage of a detailed land use plan.

We have also seen the Urban Development Corporation of Trinidad and Tobago (UDECOTT), acting on behalf of the Ministry of Housing and Settlements, entering into an agreement with Halcrow Corporation Trinidad and Tobago Limited for the preparation of a national conceptual development plan, ten local aerial conceptual plans and a land use plan for Couva. The preparation of these plans will provide a national framework for economic growth and development, infrastructure investment and programming to ensure environmental sustainability and detailed development control guidelines needed for planning applications. The growth poll strategy is aimed at identifying areas for industry, agriculture, commerce, housing, recreation and utilities. The objective is to reduce the rural/urban drift which augments the number of poor, depressed urban

communities. It will be providing for the growth of well integrated and sustainable urban centres throughout the country with increased opportunities for commerce and employment.

The Ministry of Housing and Settlements has also developed the Land Bank Unit of the Ministry which has digitized maps of all state lands in the country and has thus assisted in the identification of lands for suitable, accessible and sustainable settlements. In addition, there is ongoing field investigation and title searches.

Further, the Government is seeking to enact the Planning and Development of Land Bill, 1998 which enables the effectual, physical development of the country. This Bill is currently before Parliament. In respect of the reorganization of Government agencies to effect these pieces of legislation, it should be noted that in June, 1998 the Ministry of Housing and Settlements was enlarged to include the physical development of the country. How are we going about this work of defining and increasing the economic well-being of the nationals of this country?

Mr. President, we have seen that in Trinidad and Tobago at present, there is no formal national building code. Engineered buildings are usually designed to meet American and British standards, while small building construction, non-engineered, are regulated by the public. Under the Health Ordinance, Chap. 12:04 of 1950, and the Municipal Corporations Act No. 21 of 1990, Building Regulations, building inspectors review new permit applications, monitor construction and institute enforcement action.

The Interim National Physical Planning Commission is currently involved in the development of codes of appropriate building construction and land development standards and practices. The Interim National Physical Planning Commission has, in fact, established a Code and Standards Committee and subsequently, two functional subcommittees: namely a Subdivision Regulations Committee and a Physical Planning Standards Committee. The former subdivision committee deals with administration, procedures and regulations relating to the subdivision of land and aims at satisfying the subdivision code requirements of all conditionalities. The committee has produced the Land Subdivision Regulations, 1999. This document will be eventually included in the Planning and Development of Land Act when passed. The latter committee is primarily technical and is in the process of establishing planning standards and guidelines for subdivisions. It also has responsibility for the development of informal standards. That committee's work is ongoing.

Mr. President, the Ministry of Housing and Settlements is co-ordinating its work with the National Emergency Management Agency (NEMA). Trinidad and Tobago is currently pursuing initiatives for strengthening the institutional capacity for preparation, response, recovery and mitigation against disasters; improving upon public awareness of risk, hazard response and mitigation measures; detailing the hazard and risk assessment to natural, man-made events in Trinidad and Tobago; strengthening community response to disasters; promoting disaster mitigation planning by all agencies; development of a national building code for small buildings; and producing a technical manual for retrofitting non-engineered buildings, both residential and small commercial.

The State Land (Regularisation of Tenure) Act, 1998 was assented to on October 28, 1998. The purpose of this piece of legislation is for the protection or to protect certain squatters from ejection from state lands; to facilitate the acquisition of leasehold titles by both squatters and tenants in designated areas; and to provide for the establishment of land settlement areas. Accordingly, the Act will facilitate the issuance to these squatters certificates of comfort and eventually deeds of lease which will provide the squatter with the much needed collateral for financing construction of his or her home. All part of the strategy for furthering the economic well-being of the nation.

With regard to financing of shelter, the approved mortgage companies programme was established in July, 1989 for the purpose of improving access to shelter financing by low and middle income earners. In order to improve the operations of this programme, and so facilitate greater access to funding for housing, Cabinet, in December, 1997 agreed and the following conditions are now being pursued: the housing regulations were amended to allow for loans for the purchase of existing properties and not only for newly built houses, as was previously the case. Also, the income ceiling of TT \$6,000 under the approved mortgage companies programme was removed to allow a large number of prospective home-owners to benefit from the programme. Three loan categories have been consolidated to coincide with the following interest rate categories: up to \$150,000, 8 per cent per annum; \$150,000 to \$200,000, 8.5 per cent per annum; \$200,000 to \$300,000, 9 per cent per annum. The Ministry meets with the approved mortgage agencies and companies to keep abreast of the events and to monitor these programmes.

Mr. President, for lower income individuals, in the 1998 budget the Minister of Finance proposed to raise a tax-free housing bond in the amount of \$300

million to fund housing for low income earners. In this regard, the Trinidad and Tobago Mortgage Finance Company Limited has raised an initial \$100 million through a bond issue on the domestic financial market of which \$9.7 million was expended. Further, given the anticipated demands, the Trinidad and Tobago Mortgage Finance Company proposes to raise at least \$200 million in 1999 to assist in meeting the financial requirements for housing for low income earners of Trinidad and Tobago.

Mr. President, a national mortgage indemnity insurance scheme is being established to provide insurance for the entire mortgage loan with interest payments being amortized over the life of the mortgage. The mortgage indemnification fund for Trinidad and Tobago is being pursued with all stakeholders inclusive of the approved mortgage companies and the Home Mortgage Bank. The Home Mortgage Bank, which is undertaking the project, has advised that such a fund will lead to the following results:

4.00 p.m.

- (1) Increased housing starts and access to home ownership for a greater number of citizens;
- (2) Downward pressure on private interest rates;
- (3) An enhancement in the quality of the underlying mortgage instruments for possible securitization.

Mr. President, the Government and the Ministry of Housing and Settlements is also pursuing the development of partnership among government, business and labour to foster industry and human resource development. To this end, we have entered into partnership both externally and internally with various agencies to create the enabling environment for encouraging industry, economic liberalization and human resource development.

The Government of Trinidad and Tobago, with the assistance of the Government of India organized in April, 1997, a housing exhibition entitled: "Shelter for all Towards Viable Settlements the Indian Experience". Several ministers and technical officers of housing ministries in the Caribbean attended the exhibition and seminars. Simultaneously, with the exhibition which ran for

three weeks in Trinidad and Tobago, a number of seminars and workshops were organized for professionals in the settlement sector and students in the upper secondary and tertiary level institutions.

Mr. President, on February 9, 1999, this initiative was further advanced when the Prime Ministers of India and Trinidad and Tobago formally inaugurated a Shelter Support Centre. Arising out of this new development a number of initiatives are being pursued, namely:

- (a) Arrangements for the training of technical officers and skilled workers in communities, to effect the introduction and transfer of appropriate low cost technologies.
- (b) The preparation of appropriate housing designs with space allocated in the design to facilitate the development of micro enterprises by homeowners. This would enhance employment and income earning opportunities, thereby enabling the poor to be self-sufficient.

Mr. President, on February 8, 1999, a Memorandum of Understanding was signed between the Government of the Republic of Trinidad and Tobago and the Government of the Republic of India in an attempt to further encourage and develop technical co-operation between the two countries in the housing and human settlements sector.

Mr. President, a Memorandum of Understanding was also signed between the Government of Trinidad and Tobago and the Government of China, a few weeks ago for, *inter alia*, technical co-operation agreement between both countries in the settlements sector.

In Trinidad and Tobago, the Environmental Management Authority has, within recent times, been very active in enforcing environmental standards, especially in the industrial and transport sectors. The Ministry of Housing and Settlements is represented on the Environmental Management Authority. We have attempted to have our input into this authority, Mr. President, and we have seen the authority encourage industrial companies to define significant risks; specially in terms of the chemicals which they employ in their operations and to uphold environmental regulations. To effect this, the authority along with the Trinidad and Tobago Bureau of Standards is now undertaking several initiatives towards the implementation of legislation for the disposal of waste, industrial and other effluents into water waste.

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In respect of the transport sector, the Environmental Management Agency, with the help of the Licensing Office conducted a pilot project in which vehicle emissions were tested and the data obtained analysed, in order to arrive at appropriate standards for counteracting the vehicle emission problem in Trinidad and Tobago.

Mr. President, the Ministry is developing appropriate skills in human settlements planning, construction and maintenance and its investment assessment and management.

Additionally, in an attempt to train our human resources in the new evolving work environment, the University of the West Indies, St. Augustine Campus has designed and is now offering a postgraduate degree course in Planning and Development. This degree programme includes courses in land administration, planning analysis and design for development.

Additionally, the Faculty of Engineering of the University of the West Indies, St. Augustine Campus, is also offering a course in Integrated Planning and Development of Projects using Microsoft Project 4.1 for Windows, as well as, a management workshop in project planning entitled: "A Management Framework for Integrated Planning and Development in the Public Sector".

Mr. President, both courses are designed to develop skills in human settlements planning and in planning and execution of investment assessment and management. The Ministry's personnel have been actively participating in these training programmes.

Mr. President, I have in fact attempted to outline some of the practical initiatives being undertaken by the Ministry of Housing and Settlements, in its ongoing drive to improve the economic well-being of the citizens of the nation of Trinidad and Tobago.

I thank Sen. Dr. St. Cyr very much, for this opportunity to be able to articulate some of the broad policies of the Ministry of Housing and Settlements in its thrust for improving the economic well-being of the nation. Thank you very much.
[Desk thumping]

ADJOURNMENT

The Minister of Public Administration (Sen. The Hon. Wade Mark): Mr. President, if there are no further speakers on this Motion this afternoon, we would like to move to have this honourable Senate adjourned to next Tuesday, June 8, 1999.

Adjournment

Tuesday, June 01, 1999

Mr. President, the last time we dealt with "Government Business" we were on the Domestic Violence Bill and I did indicate to colleagues that we probably would have sat tomorrow. We have re-thought that particular approach and we will now proceed along the same lines that we had mentioned on the last session when we meet on Tuesday, June 8, 1999 at 1.30 p.m.

Mr. President, I beg to move that the Senate do now adjourn to Tuesday, June 8, 1999 at 1.30 p.m.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 4.07 p.m.